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# *JPRS Report—*

# Near East & South Asia

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NATIONAL TECHNICAL  
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SPRINGFIELD, VA 22161

# Near East & South Asia

JPRS-NEA-88-001

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20 JANUARY 1988

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## REGIONAL

### Negotiations Underway on GCC Investments in Kuwait

44040036a Paris AL-MUSTAQBAL in Arabic  
21 Nov 87 p 30

[Text] Kuwait is studying permitting GCC citizens to own shares of Kuwaiti companies in accordance with certain regulations now being worked out.

Recent negotiations in Riyadh by GCC commerce ministers failed to reach a decision that would allow shares of Gulf companies to circulate freely in the stock markets of member countries.

Bahrain has allowed GCC citizens to buy shares of Bahraini companies, provided that their ratio does not exceed 25 percent of the capital.

The Kuwaiti step has been interpreted as an initiative to spur the other GCC countries to free their financial markets, as Kuwait and Bahrain have done.

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### Syrian Foreign Minister Discusses Summit Dialogue With Iraq

44040035 Paris AL-MUSTAQBAL in Arabic  
21 Nov 87 p 18

[Interview with Syrian Foreign Minister Faruq al-Shara' and Information Minister Muhammad Salman, by Marwan al-Muhayini: "Syria Has Realized a Minimum of Arab Solidarity"; Damascus, date not given]

[Text] Syria returned from the extraordinary Amman summit satisfied with the results, which Foreign Minister Faruq al-Shara' described as positive and important. It also returned having fully maintained its stands on all the subjects discussed at the summit; indeed, Syria considers that by attending the summit it realized some positive points that it could not have achieved had it been absent. Foremost among these positive points was the entrenchment of the Arab-Israeli conflict as a first principal issue over which no issue takes precedence. As regards the Gulf war, the draft resolutions involving ostracizing Iran and breaking relations with her were abandoned, and victory went to the Syrian viewpoint, whose tenor is the prevention of escalation of hostilities, and whose foundation is the prevention of expansion of the area of the war and prevention of the war's conversion into an Arab-Persian war, as well as the safeguarding of freedom of international navigation in the Gulf, and then attempting to halt the war, starting from Security Council Resolution 598. On this subject, Minister al-Shara' says: "Syria expressed its uneasiness to its Arab brothers over the presence of foreign fleets in the Gulf, especially after issuance of the Security Council resolution, implementation of which has become more difficult in light of the presence of these fleets which

came on the pretext of halting the war and safeguarding freedom of navigation, but whose very presence has now become a problem that has increased the degree of tension, threatened freedom of navigation, and raised the number of ships hit." Clarifying the Syrian position during and after the summit, al-Shara' said that Syria did not agree to the condemnation of Iran contained in the final communique of the summit, a communique that the general secretary of the Arab League read aloud in the concluding session without having submitted it to those present.

[Question] Why did you not object or express reservations?

[Answer by Information Minister Muhammad Salman] Syria, like other [Arab] brothers, was eager for agreement. They too, on their side, did not hold fast to the draft resolutions they wanted. We accepted and they accepted what would realize the solidarity of the Arab nation at this stage. No one at the summit held fast to anything that would help the continuance of estrangement and disunion. So the results came out favorably, but did not attain the desired goals.

[Question] What about the reconciliation with Iraq?

[Answer by Minister Salman] Syria still holds to its evaluation of the Iraq-Iran war. Nothing new has come over the Syrian position. The disagreement with Iraq is a disagreement about principles and ideology. Reconciliation requires time and discussion. We do not feel that Iran is threatening any inch of Arab land. We are truly in solidarity with Kuwait and with any brother country subjected to aggression.

[Answer by Foreign Minister Faruq al-Shara' to the same question] The Syrian-Iraqi affair is not a personal conflict between two presidents, such that reconciliation might come through shaking hands. There is a relationship between the two countries that has been subjected to great and serious difficulties. In fact, the two presidents met in Jordan during last April, and low-level meetings took place between officials in the two countries. Discussion of the subject of the war continues. The meeting during the summit must not be given more than its normal weight.

(AL-MUSTAQBAL's information indicates that the efforts will go on and the contacts continue toward normalization of Syrian-Iraqi relations. The first step may be the opening of the border this month and the reopening of embassies within 2 months. Reciprocal media attacks did in fact stop as soon as the Amman summit ended.)

[Question] What about restoration of relations with Egypt?

[Answer by Minister al-Shara'] Syria was able to prevent the giving of any legitimacy or Arab blessing to the resumption of relations between any Arab state and Egypt, or having this resumption take place by a collective Arab decision. Our words to the brothers who wanted to resume relations with Egypt were clear: there is no benefit in such a resumption now, either for Egypt, or for the country concerned, or for the Arab nation. More than anyone else, Syria is sensitive to the loss of Egypt, its separation from the Arab nation, and its absence as a confrontation state.

By virtue of the Camp David agreements, Israel must consent to any Egyptian military role in the Gulf—here is the greatest tragedy. Efforts are being made to halt the war, implement the Security Council resolution, and withdraw the foreign fleets in order to facilitate this. Kuwait has expressed its desire for these fleets to leave as soon as possible. We completely support Kuwait against any aggression aimed at it or aimed at any Arab land. We do not want the brother Arab states of the Gulf to become embroiled in a war with which they are not connected.

[Question] What about relations with the PLO?

[Answer by al-Shara'] There has been the beginning of a dialogue resulting from previous contacts with the PLO, and ideas were brought up during the course of these contacts. We will continue the dialogue; however, it is difficult to talk about results, though we always welcome any drawing closer to the principled, firm, and constant Syrian line.

[Question] What about support of the confrontation states?

[Answer by al-Shara'] (Al-Shara' expressed his annoyance at the way in which some Arabic media have raised this problem. He contented himself with the following statement.) The commitment between the Arab states must be a reciprocal commitment.

[Question] Are the resolutions of the Amman summit destined to be implemented?

[Answer by Minister al-Shara'] The summit was an expression of differing positions, and its results came as an intermediate position or compromise between those positions. The degree of enthusiasm for this compromise differs from one party to another, and so there is no satisfying answer to this question.

[Question] Is the summit's resolution regarding the achievement of strategic balance with the Zionist enemy an abrogation of the Fez peace plan?

[Answer by al-Shara'] The Fez plan came under different circumstances. We are now in much better circumstances and conditions. Our battle with the enemy is a long one. Strategic balance does not mean that we should

match cannon for cannon; rather, it means that the Arabs should all stand facing the enemy with all their resources. Then again, Israel does not want peace or the international peace conference, despite the consensus demanding it. This necessitates our being strong, lest our weakness entice Israel to aggression, and so that Israel will feel that there is no path before it but peace.

[Question] What about Lebanon? Why has President al-Asad not met with President al-Jumayyil?

[Answer by al-Shara'] First of all, the summit's resolutions about Lebanon were positive. They wanted to thank us for our role in Lebanon, but we refused. As for the meeting of the two presidents, President al-Jumayyil has not made efforts within Lebanon toward the resumption of the dialogue required on the Lebanese, Syrian, Arab, and international level.

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**Jordanian Foreign Minister Discusses  
Syrian-Iraqi Summit Dialogue**

44040037 Paris AL-MUSTAQBAL in Arabic  
21 Nov 87 pp 16-17

[Interview with Jordanian Foreign Minister Tahir al-Masri, by Sulayman Nimr: "Results of the Syrian-Iraqi Reconciliation After 2 Weeks"; place and date not given]

[Text] Because Syrian-Iraqi reconciliation appeared nearly impossible to realize, many observers, and even ordinary people, were unable to believe completely that the Amman meeting between presidents Saddam Husayn and Hafiz al-Asad was a true reconciliation meeting. Therefore, most of the questions put to King Husayn of Jordan during the press conference he held after the conclusion of the Amman summit concentrated on the subject of Iraqi-Syrian reconciliation. Although King Husayn gave assurance that "the reconciliation is real in the full sense of the word," some pronouncements, at first negative, then lessening the importance of the reconciliation, and later optimistic, raised doubts. We therefore began our interview with Jordanian Foreign Minister Tahir al-Masri, the official spokesman for the Amman summit and chairman of the committee on drafting resolutions by virtue of his being chairman of the foreign ministers' meetings, with a question on the subject of the Syrian-Iraqi reconciliation and whether the meeting between presidents Saddam Husayn and Hafiz al-Asad means that the difference and disagreement between the two capitals has really ended. The Jordanian foreign minister answered as follows:

[Answer] Everyone knows that the disagreement between the two countries is deep and has lasted a long time. Differences and disagreements had accumulated to such an extent that it was not easy to bring the Syrian and Iraqi presidents together and end the disagreements between them immediately. Even though the meeting

and reconciliation have taken place, we do not need to expect matters on all levels to return to normal. The process of restoring good relations between Syria and Iraq will take place in stages. In my estimation, the Amman summit was able to open the road, which had been completely closed, between Damascus and Baghdad, doing so by means of the meeting between the two leaders and by their agreement to close the book of the past and open a new book. Even more important was their agreement to make every effort to end the disagreements between the two countries. We have seen an indication of this in the halting of media attacks between the two countries. This is a proof of the good faith of these two Arab leaders. Normalization of relations, with all that this means on all political levels and in other domestic and security matters, will come later. The results of it will become evident in very short order. Perhaps you will hear about restored diplomatic relations between the two countries when next week's issue of AL-MUSTAQBAL comes out, or, let us say, during the next 2 weeks.

[Question] Does this mean there was agreement between the Syrian and Iraqi presidents on practical next steps to confirm the reconciliation and end the disputes between the two capitals?

[Answer] Yes.

[Question] May we know them?

[Answer] It would not be right for me to reveal this; however, as a journalist following developments, you can know and understand what must be accomplished between the two countries for matters to return to normal.

[Question] Is it true that diplomatic relations between Iraq and Syria will be restored in a short time, perhaps within 2 weeks?

[Answer] Yes. As is customary, the first step in normalizing relations between two countries is the resumption of diplomatic relations between them. What we perceived and what was perceived by those who participated in and followed the process of reconciliation between the two Arab leaders, and from the words exchanged during the meetings of presidents Saddam Husayn and Hafiz al-Asad at the summit after their reconciliation, was that the intentions of the two leaders were sincere and that the great chasm between them has disappeared. Had you been present, you would have been able to see the affection that began to make its way into the relationship between the two presidents.

[Question] Did Syria approve the paragraphs of the summit's final communique about supporting Iraq and helping it to defend itself and condemning Iran's position? Does this mean a shift in the Syrian position?

[Answer] I think this is clear. The summit's final communique contained collective Arab decisions and positions on all subjects. It was submitted to all the foreign ministers; it was discussed, and some expressions in it were changed, either by addition or by deletion, after certain opinions and observations were expressed by concerned delegations. In the end, however, the final communique was approved as read by his excellency the general secretary of the Arab League.

[Question] But Syrian officials have made statements that the Syrian delegation did not approve the paragraphs involving the condemnation of Iran.

[Answer] I do not want to contradict the Syrian brothers who said that. However, as chairman of the foreign ministers' meeting held on the last day of the conference and at which the resolutions were formulated in their final text, I will say that the final communique was read and discussed for a considerable time in the presence of all the foreign ministers. The communique was then reprinted after the introduction of the amendments that had been approved. The final communique was then submitted to the summit; the general secretary of the Arab League read it, and it was approved by our leaders at the final public session.

[Question] Was the final communique presented to the Arab leaders before it was read by the general secretary of the Arab League?

[Answer] No, because the foreign ministers had agreed to it, and they had been authorized by their leaders to approve resolutions and the final communique.

[Question] Were there resolutions approved but not made public?

[Answer] By no means! There was nothing of that sort.

[Question] There was a Libyan reservation to the resolutions. Was the Libyan reservation due to the subject of restoring relations with Egypt or due to lack of reference to the subject of the Chad-Libya conflict?

[Answer] First, the subject of Chad was not brought up for discussion. We have heard through the media that there were Libyan reservations and objections to the final summit communique, but during the meetings and discussions there was no Libyan reservation, either verbal or in writing, to the resolutions. The only thing the Libyan delegation brought up during the meetings was its opposition to the subject of restoring diplomatic relations with Egypt.

[Question] Does the issuance of the summit resolution freeing each Arab country individually to restore diplomatic relations with Egypt mean that the Baghdad summit's decision to ostracize Egypt and break relations with it has been cancelled?

[Answer] The breaking of relations with Egypt did not take place at the Baghdad summit or by a decision issued from it; it took place as a result of a recommendation by the Arab foreign ministers after the beginning of normalization of relations between Egypt and Israel. As is well-known and as was stated in the final summit communique on the subject of relations with Egypt, the subject of diplomatic relations between two countries is a matter of national sovereignty; no one can impose such a decision on anyone else.

[Question] Israel has considered the summit's decision about relations with Egypt to be an Arab acceptance of the Camp David agreements.

[Answer] Utterly the opposite! The decision to restore relations with Egypt is a means to distance Egypt from the Camp David agreements, for Israel's well-known fundamental goal is to keep Egypt away from the Arab body politic. Israel does not want Egypt to return to that body. We want Egypt to distance itself from Israel and come closer to the Arabs. This was one of the fundamental points that we and others expressed during discussion of the subject of Egypt's return. We said that "if we want Egypt to distance itself from the Camp David agreements and from Israel, let us bring Egypt closer to us, and let us also come closer to Egypt." Therefore, the Israeli interpretation of which you speak is an erroneous one. Time, God willing, will prove that the summit's resolution about relations with Egypt was an important step on the road to distancing Egypt from Israel.

[Question] Does this mean that Egypt's Arab role will become larger?

[Answer] Yes. This is clear, for everyone wants a return of Egypt's Arab role.

[Question] Don't you think that the PLO suggestion to form a delegation from the Arab summit to visit Washington and Moscow and inform the two superpowers of the collective Arab position just before the Reagan-Gorbachev meeting would have a more powerful influence?

[Answer] Mr Yasir 'Arafat did in fact propose it, but the leaders passed over the proposal because it was impossible to realize within the short period of time remaining until the scheduled meeting between presidents Reagan and Gorbachev.

[Question] How then will Moscow and Washington be informed of the true Arab position, so that Arab issues may be a subject of concern at the coming international summit?

[Answer] There are the diplomatic channels. For its part, Jordan undertook to inform the two superpowers and the five other major countries that are permanent members of the Security Council about the decisions of the Amman summit, when I personally met with the ambassadors of these countries yesterday (Thursday, 12 November 1987).

[Question] What consequences will the summit decision about the Iraq-Iran war, particularly the support of Security Council Resolution 598, have in regard to influencing efforts being made to pressure Iran to accept this resolution and halt the war?

[Answer] Naturally, it will have a great influence, especially on the positions of countries hesitating to take other measures more far-reaching than Resolution 598 against whoever rejects this resolution. This collective Arab stand put forward by the Amman summit will have a great influence on the meeting of the Soviet and American leaders next month and will be reflected in their discussions of regional problems, especially those related to the Middle East crisis and the holding of an international peace conference.

[Question] It has been observed that the summits' decision about Lebanon was weak, especially after King Husayn's statement that Syria is the party fundamentally concerned with creating a solution to the Lebanese problem.

[Answer] We cannot overlook the fact that the Syrian role is the principal one that has an influence in Lebanon. The Lebanese crisis cannot be solved and all the various Lebanese parties agree in isolation from Syria. Even with the government and state, Lebanon is split and divided in regard to opinions and attitudes. As long as there is no mutual understanding between the Lebanese parties themselves which would make a meeting and agreement between them possible, it will be difficult for the Arabs or for the summit conference to play any role in this matter.

[Question] It has been said that Gulf states' positions during the conference were very stern regarding the subject of Iranian threats to these countries and Arab aid to the confrontation states.

[Answer] The Gulf states' positions on the issues raised are well-known. Two draft resolutions were presented: one from the GCC countries as a whole concerning the Iranian threats against the countries of the Arabian Gulf. It contained strong and clear provisions clearly reflecting the official stand of the Gulf countries and was approved without any difficulties, particularly as regards support for Kuwait. There was also a draft resolution presented by Saudi Arabia concerning the Iranian-engineered actions and deeds in Mecca. The language of the Arab resolution concerning these actions was strong and expressed the single Arab position, condemning such criminal deeds and supporting the Saudi position in

dealing with such events. It supported Saudi Arabia's taking whatever measures it considers necessary to prevent repetition of their occurrence. Saudi Arabia has played a large role in bringing about accommodation and in backing and supporting the achievement of Arab reconciliation and concord. This is something to which we are accustomed on the part of our brothers in the Kingdom of Saudi Arabia. The kingdom has great weight and importance in the Arab arena and had its influence in the actions of the Amman summit. His Highness Prince 'Abdallah bin-'Abd-al-'Aziz had a large role in assuring the success of this summit. As is well-known, his highness the Saudi crown prince is the patron of Arab reconciliation. At this summit, His Highness Prince 'Abdallah, together with the other leaders of the Gulf countries, supported the efforts of His Majesty King Husayn to achieve the Arab reconciliation which—praise be to God!—took place.

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**Maghreb Sports, Labor Union Formed**  
*40589c Tripoli Voice of Greater Arab Homeland in Arabic 1230 GMT 31 Dec 87*

[Text] In confirmation of the unifying steps taken by the sons of the Arab Maghreb for the sake of bringing closer the establishment of Arab unity, this morning in Tripoli the formation of the Arab Maghreb Union for Sports and Labor was signed. The union includes the Great Jamahiriya, Algeria and Morocco. This union is aimed at uniting the productive and labor, social, cultural, and sports activities among the professional and trade union organizations within the framework of the Greater Arab Maghreb. The union also aims at achieving complete coordination among these countries at all Arab and international sports organizations. The union confirms the widening of the base of the Jamahiriya and sports among these three countries.

**Arab Publishers Conference in Misratah Adopts Resolutions**

**Need for Enlightenment of Arab Mind Seen**  
*45040017 Beirut AL-KIFAH AL-'ARABI in Arabic 26 Oct 87 pp 40-43*

[Report by Ahmad Farhat from Misratah: "First National Publishing Convention in the Jamahiriya"]

[Text] Misratah, the legendary rose that joins the sea and the desert in a supernaturally radiant link, last month had a date with a cultural demonstration that was the first of its kind in the Arab world.

Under the slogan "Knowledge is a Natural Right for Every Man", and at the invitation of al-Jamahiriya House for Publishing, Distribution, and Advertisement headed by its secretary brother Hamid Abu-Jubayrah, the First National Publishing Convention was held. It was attended by a large number of Arab publishers, men

of letters, journalists, and intelligentsia. The number of people attending was so large that the hall of the municipality of the Gulf of Challenge (Sirte), the town of Misratah and, later, the meeting hall of al-Khalij Hotel in the same town were overcrowded. Misratah is the town whose people fought a bitter and historical struggle against a succession of invaders who landed in this cherished part of our Arab homeland.

Secretary of the People's Committee for Information and Revolutionary Guidance Dr Rajab Abu-Dabbus chaired all the conference meetings and participated in many of the debates and discussions that captured the attention of those attending. Of particular interest was Dr Rajab's talk about the need to abolish censorship and even crush it if possible. "Who would appoint himself guardian of the people's minds and dictate to them what they should and should not read?" he asked.

Dr Rajab delivered a speech in which he emphasized the role of publishers and media men as being responsible for creating an Arab public opinion and shaping the Arab mentality. This makes them responsible for changing the submissive fatalist mentality and enlightening the Arab citizen about the seriousness of the coming era. The danger lies not so much in the occupation of Arab land but rather in the control of the Arab mind.

Concluding, Dr Abu-Dabbus stressed the need to oppose the commercialist trend in the cultural and information sphere, a trend that has driven some people to seek material profits even at the expense of trivializing and debasing culture.

Dr Abu-Dabbus also stressed the need to resist sabotaging the Arabic language which is the fundamental means of our unity as Arabs as well as the means of our intellectual production and understanding. It is also a decisive factor in civilization advancement.

Consequently this calls for resisting vernacular culture and dialects, a fatal disease that threatens not only our language but also our national unity.

The Secretary of al-Jamahiriya House for Publishing, Distribution, and Advertising, Hamid Abu-Jubayrah, delivered a speech. He said that the spirit of the word and cultural ingenuity symbolize the Arab nation's unity from the ocean to the gulf. The publishing house, he added, as a channel of information and culture for the masses, appreciates the participation of those who have come in order to emphasize the national character of this conference which has indeed become the first Arab intellectual demonstration of its kind, the like of which never existed before.

Abu-Jubayrah added: "Thus every time we meet to discuss the word, we feel that the word has meanings which must be confirmed and consolidated. It is a national word that derives its existence, nobility, and strength from the same Arab spirit."

The Secretary added: "This occasion — the convening of the First National Publishing Convention — must be a historical occasion for us to consider the urgent national tasks that we, as an Arab cultural force, should carry out in order to rescue our Arab homeland from the serious tragic situation it is in, the situation that is threatening its existence, history, and culture. It is our moral duty to restore its strength to the word. This can be done only if we transcend the regionalism of culture, thought, and the media. This will occur only if we logically overcome the present reality or rather the disgraceful political line being pursued by the regimes in the Arab homeland. Perhaps you are aware of the reality of the defeatist informational stands being adopted in this nation, such as those of the agent regime in Egypt which is seeking to suppress any awakening of national sense of responsibility and any trend that would serve the causes of our nation. This regime has stood against those from the progressive intelligentsia in Egypt who wished to attend this conference with you."

The secretary stressed the need to seize this historical opportunity to devote attention to unifying the efforts of Arab press and publication within an effective national framework, by setting up specialized committees that would deal with every aspect of information and publishing in order to thrash out their practical views on this matter and incorporate what views are agreed upon in covenants and resolutions by this conference.

The secretary then mentioned the deliberate news blackout imposed on the Jamahiriyyah, saying that "we are obliged to defend the great achievement and historical changes taking place in this land."

The speech on behalf of the Federation of Arab Publishers was delivered by its president, Khalifah al-Tulaysi. This dealt with the proposed objectives and purposes of an Arab publishing strategy, which, first and foremost, should pay attention to the Arab homeland's actual cultural and scientific needs so that intensive interaction on the Arab cultural level is achieved, and in a manner ensuring that the various Arab spheres are included.

After other speeches were delivered by specialized researchers in the fields of publishing, writing, and distribution, and following a series of discussions and debates, most of which were characterized by vitality and dynamism, the conferees discussed the question of drafting a national publishing plan, the main aspects of which are based on the following principles:

First, the means and tools of publishing and its writing, audio, and visual techniques.

Second, the national character of publishing in the Arab homeland.

Third, the interpretational, philosophical, and popular dimension of publishing, revising, and appraisal.

### Recommendations

Following the discussion of these principles and their implications, resolutions and recommendations were adopted, the most significant of which were:

The conference decided to set up a "National Publishing Conference".

The congress is to elect a permanent secretariat consisting of a secretary and seven members to assist him in order to follow up resolutions and recommendations adopted by the congress. It will set up a specialized administrative body that will implement such resolutions.

The congress permanent headquarters shall be the Great Jamahiriyyah.

The congress shall be financed on a national level whereby all the congress members shall contribute in a manner to be defined by the congress secretariat at the first meeting it will hold and at which it will draw up the laws and statutes.

The congress membership shall be open to all means of publishing in the Arab homeland.

The National Publishing Conference shall be charged with establishing a specialized national institute for the preparation and training of elements necessary for the development of the publishing industry.

The conference recommends that legislation related to publishing in the Arab homeland should be compatible with the national cultural trends and abreast with developments in this field.

The Arab publishing houses are to be called upon to exploit their capabilities in order to carry out joint publication of specialized work of heritage and encyclopedic work and in particular to publish a major Arab encyclopedia.

The conference also recommends the need to establish a national complex for cultural industry in order to produce the materials necessary for publishing.

The conference underlines the need to establish a central national library and the issuing of a national law for deposition in order to preserve the works of Arab thought.

The conference recommends the establishment of a national center that would be concerned with studying the means of producing literature for the Arab child, including books, magazines, and television and radio programs that would concentrate on the national literature of the Arab children. Specialists in children's affairs and children's literature and upbringing are to be employed in this center.

The conference calls for the standardization of Arabic curricula in school textbooks in accordance with the national trends.

It calls for devoting fixed programs in the Arab radio, audio, and press media in order to publicize intellectual work biased in favor of the problems of the masses and the future of the Arab nation.

Work to establish a specialized center for the translation into Arabic of basic reference materials from worldwide intellectual sources, and translation of Arabic romantic works into foreign languages.

In accordance with resolution two calling for the election of a permanent secretariat for the National Publishing Conference, a secretariat was elected at the end of the meeting. It consisted of the following persons:

Khalifah al-Tulaysi, of the Jamahiriyyah, as secretary of the congress; Rashad Abu-Shawar, of Palestine; al-Habib al-Lamsi, of Tunisia; Hadi Hammudah al-Bughayli, of Kuwait; Mazin al-Bandak, of Palestine; Muhammad al-Mashnuq, of Lebanon, Fu'ad Tuwayni, of Lebanon; Hassan al-Zayn, of Lebanon; and 'Abd-al-'Azim Munaf, of Egypt, as members of the secretariat.

Among other important resolutions adopted by the conference was the establishment of a front for press, trade unionist, and national freedoms.

The conference called on all the participating journalists, writers, and publishers to join this front and to be committed to standing against any banning of any newspaper or book in any Arab country for the following national reasons:

Opposing the "David's Stable" agreements.

Opposing the restoration of relations with the parties to the "David's Stable" agreements.

Opposing Arab meetings with the Zionist enemy.

Opposing inviting foreign forces to Arab lands and waters.

Opposing regionalism, fragmentation, sectarianism, dogmatism, and factionalism.

The conference stressed the need for members of this front to publish joint articles simultaneously in the various nationalist media attacking the censorship apparatus, the source of repressive measures. The campaign is to continue until this organ goes back on its decision which is hostile to national freedoms.

**Commentary on Publishers Conference**  
*45040017 Beirut AL-KIFAH AL-'ARABI in Arabic*  
*26 Oct 87 pp 42-44*

[Interview with Dr Suhayl Idris, member of the permanent secretariat of the National Publishing Conference, by Ahmad Farhat in Misratah]

[Text] In mid-January of next year, the National Publishing Conference, which came out of the First National Conference held in Misratah in September 1987, will hold its first plenary session. This, naturally, will be at the invitation of the Congress secretary, Libyan Arab writer Khalifah al-Tulaysi.

The conferees are expected to study proposals for a future plan that would take into consideration the resources available as well as the conditions and obstacles that hinder the drawing up of a clear Arab strategy in the field of national publishing in the great homeland.

Prompted by its interest in this congress and the positive results it would lead to on the national and cultural level, AL-KIFAH AL-'ARABI interviewed Dr Suhayl Idris, a member of the permanent secretariat of the National Publishing Conference, who was very active during the conference meetings, either by chairing some of the meetings, by participating in them, or by discussing many of its resolutions and recommendations.

[Question] Dr Suhayl, how would you evaluate what took place at the First National Publishing Convention, which was held in Misratah last month?

[Answer] Actually, the recommendations adopted by the First National Publishing Convention point to the importance of what is to be expected from this conference when it implements what it has adopted. When the conference insists on the need to strengthen the national Arab trend in publishing, it is in fact filling a gap which the Arab intelligentsia in general is feeling.

At this juncture when the degeneration of the general Arab situation is reflected in the culture, there is an urgent need to seek an alternative within the nationalist trend in Arab thought. From the conflicting trends and ideologies there emerges the importance of the revival of nationalist thinking that is committed to the heritage on the one hand and modernization on the other. If this question is understood then there is no doubt that the First National Congress On Publishing will play an important role in future Arab intellectual and cultural life.

Of course, this requires perseverance and patience as well as broadening national thought. This will have no immediate effect overnight; it is rather an ongoing work that will be engraved deeply in the Arab conscience, for which the national intellectual potentials of the Arab homeland as a whole should be mobilized.

The national conference is supposed to fight primarily the regionalist and secessionist tendencies and bring together all the trends that strengthen the Arab nationalist idea. There is no doubt that division and fragmentation of our current intellectual thought have weakened the unity of Arab thought. We must work to mend all the cracks in this edifice and to regroup in order to counter the intellectual setbacks that have been caused by or were the result of political setbacks and defeats which the Arab nation has suffered.

[Question] Do you have any new proposals that you would put forward at your next conference in order to achieve success in national publishing?

[Answer] We regard the national conference as providing something that was lacking in the basic structure of the union of Arab publishers, namely national publishing and laying down a clear strategy for national publishing that requires efforts and preparation. We are now concentrating on providing this; and once the legal status of the national congress is established, we will proceed with implementing projects of this strategy.

There is no doubt that the national publishing project requires substantial aid, to which we hope all the Arab countries will contribute equally. However, we sometimes doubt that some of the Arab countries would feel enthusiastic about cultural unity, which represents some kind of a dreadful specter to some Arab countries that fear what they might perceive as an intrusion in their independence.

In any case there is need for persistent work, and so far we have not yet had the time to lay down the outlines of the desired plan.

[Question] Being a leading Arab publisher, how do you view the responsibility of the Arab publisher on the national level, bearing in mind that many publishers are paper merchants and have absolutely nothing to do with culture?

[Answer] I regret to say that many Arab publishers lack the sense of national awakening. A publisher who is not committed to a message in his publishing business is no more than a merchant whose concern is for his establishment to flourish by any means. Nevertheless, some nationalist publishers and publishing houses, who of their own accord laid down a plan to support the national culture, frequently suffer from the regimes that often suppress their publications and prevent them from reaching the public.

The Center of Arab Unity Studies, for example, suffers from the fact that its books and its magazine AL-MUSTAQBAL AL-'ARABI find great difficulty in reaching the readers, despite the fact that the center's objectives of advocating Arab unity and nationalist unionist thinking are known to everybody. What would

prevent nationalist publishers from expanding their publishing projects is the fear that their publications might remain stored in depots. That is, except for those publishers who are characterized by firm ideological belief, patience, and believe that ultimately national thought is bound to find its way to the open.

[Question] It appears that the First National Conference For Publishing aimed at drawing up a national strategy for publishing with clear features and objectives. Can you see the outlines of this strategy?

[Answer] In fact the conference has and is aiming to lay down the principles of a fixed strategy for national publishing. In any case, it is still in its preliminary stages. It should be given time so that those responsible for it will get together in order to arrange, organize, and strengthen such a strategy, which we would like to be so perceptive, profound, and all-encompassing as to deal with all the concerns of national opinion. I mean that such strategy should not be so narrow as to stifle creativity under the pretext of the demand for adherence to the national trend. If we are deprived of this creativity, such trends become a kind of useless propaganda. I would reiterate that we are still at the beginning of the road but we can, at future meetings, expand the circle so as to include a larger number of nationalist thinkers and fewer publishers. The conference objective is not to strengthen publishing in general but to strengthen national publishing, which needs more writers than printing presses. What we have complained about at our first conference should be dealt with by inviting a number of unionist nationalist thinkers to future conferences.

[Question] Will your next conference lead to the establishment of an institution to support national publishing in the various spheres, including the financial and information spheres? This is on the one hand. On the other hand, will you contact existing Arab institutes, such as the Arab League or the ministries of culture and information in the Arab world, so that they will shoulder their responsibility in this important cultural field?

[Answer] Of course the new organization is supposed to have its own ideas that it would like to put into effect without the involvement of the existing bureaucratic organs, whose slow execution of things prevents the achievement of the set goals. I believe that the National Publishing Conference can seek the help of the Arab League or the Arab Organization for Education, Culture, and Sciences in order to implement some of its projects and strive to convince cultural institutions in the Arab countries (the ministries of culture and information, for example) to back national publications and adopt executive decisions to purchase a certain quantity of such publications, to be distributed or sold within the intelligentsia circle in order to uphold the objectives sought at the National Publishing Convention.

[Question] There are Arab cultural institutes outside the Arab homeland such as the Arab World Academy in Paris, which is engaged in important cultural activities aimed to acquaint the people in the West with some aspects of our creative work, whether through writings, tapes, or music. Will you be dealing with this institution?

[Answer] One of the recommendations of the First National Publishing Convention refers to supporting the publication of contemporary Arab literary works and translating them into foreign languages. If the Arab World Academy in Paris does engage in such activity, then in fact this would be an opportunity for some type of cooperation between the National Publishing Conference and this academy, which we believe in this manner would help to serve contemporary Arab thought. The academy might also be interested in recommendations to be made by the congress regarding translating and publishing creative works that originally were not included in its program. I also believe that there will be a great opportunity for other institutions to cooperate with the National Publishing Conference including, for example, the Union of Arab Translators that we will set up shortly in addition to the Union of Arab Publishers.

[Question] Dr Suhayl, I would repeat what I said in my second question to you: Have you drawn up particular proposals that you will submit for discussion at your next conference?

[Answer] In fact, I have begun writing down certain ideas to plan the work of the upcoming National Publishing Conference. In order for these ideas to be developed, they need the general secretariat to hold its meeting at which time assignments will be made and work programs will be drawn up both with regard to publishing and to national seminars which are supposed to continuously follow up the process of national publishing.

13305

## ALGERIA

### Overcrowding, Lack of Funds Plague Schools 45190007 Paris LE MONDE in French 29 Oct 87 p 4

[Article by Frederic Fritscher: "The Education of a Large Number of Children Requires Substantial Investments"]

[Text] Several times a day, schools pour into the streets crowds of children who cannot return home to play before nightfall due to the lack of space in their homes. They swarm everywhere, jumping from one sidewalk to the next, book satchels strapped to their backs or pushing a ball with their foot, oblivious of the cars which do not always slow down.

There are so many of them that, in order to give them an education, they must be divided into several batches. The same classroom is used twice in the course of one

day. On their way out, those who attend early in the morning meet those who come in the afternoon. This constant movement involves almost one-third of the Algerian school children.

The demographic growth rate dropped in Algeria, but it is negligible: It still remains at 3.06 percent. This year, there were some 700,000 newly registered children in the first year of basic schooling (basic schools cover compulsory education from age 6 to 15). There will be over one million pupils by the year 2000 and the total number of the school population, which "today numbers approximately 6 million, will exceed 9 million," as estimated by the EL MOUDJAHID daily newspaper, which devoted a full page to that subject. The double vacation system does not prevent classrooms from being overcrowded. They are sometimes occupied by 50 children.

Algeria must confront this overcrowding. Almost all of the children get an education. The national average hovers around 90 percent with disparities due to geographic locations. In Algiers, school attendance is almost 100 percent, a rate which is not reached in rural areas where, in particular, one-fourth of the girls fail to go to school for socio-cultural reasons.

### Lack of Hands

National education, higher education and professional training is an abyss which, this year, has once again swallowed 21.4 billion dinars (1 dinar equals approximately 1.30 francs), or a good third of the total operating state budget. The lack of foresight in demographic matters has catastrophic consequences, the more so as economic growth is inferior by far to the development rate of the population. Total expenditure for that sector amounts to approximately 10 percent of the gross domestic product. Specialists consider this figure a maximum not to be exceeded.

Yet, reports EL MOUDJAHID, this past 25 years, "close to 1,400 basic schools, 7,400 outbuildings and 440 secondary schools were built." It is a lot. Needs only keep on growing. In the year 2000, Algeria will need 2,000 basic schools and 720 secondary schools to educate 9 million children. The investment to be acquired is substantial: 70 billion dinars, which is 5.3 billion per year, or 1 billion more than this year during which 4.3 billion have already been invested.

EL MOUDJAHID stresses that the operating budget should grow at a minimum rate of 5 percent. Noting "the importance of the challenge presented to national education, namely, to see to it that the goals of education be respected and to improve the operating conditions of the system," the daily newspaper added: "As it stands, the overall resources of the nation will be unable to grow at that rate over a long period of time."

Despite an organization that has the merit of successfully educating year in, year out, some 700,000 6-year old children, dropouts are many, and guidance problems proportioned to their number. EL MOUDJAHID indicated that the secondary schools "receive only 48 percent of the students attending their last year of compulsory school; 22 percent of those are authorized to take the same grade over and the remaining 30 percent are directed toward earning a living." Thus, some 300,000 children dropped out of school in 1986, having reached the age limit without acquiring their certificate, whereas, that same year, professional training centers, involving all specialties, had only 81,000 places to offer.

The labor market is shrinking from year to year. The young people who attend secondary schools, then the university, already know that the diplomas they will receive are no longer the tool ensuring them a future measuring up to their ambitions. Yet, selection is increasingly more organized. The practice of admitting a fixed percentage of students to the very coveted disciplines, such as architecture, medicine and data processing, is spreading; and beginning this year, tests are blocking access to many other opportunities. The will to channel the flow of students toward fields which the authorities considers more strategic for the state is therefore real. The trend will certainly increase, but the equitable relation between economic needs and the educational end result is far from being achieved.

Agriculture lacks hands and agricultural experts. However, in 1985, Algeria had 13,221 doctors, or one physician for some 2,500 inhabitants. Now, the population is very young; three-quarters of the Algerians are less than 29 years old and, for the time being, do not require the particular attention of the medical profession.

Many professions are overfilled. There are already too many specialists in the social sciences and in economics. Lawyers are too numerous to ensure a decent living to the latest ones to be admitted to the bar. There are too many architects and data processing specialists.

#### Persons Excluded From the System

The new policy, poorly received by the students, is welcome, but is it not too late? It will take time for the trend to reverse itself, and sectors crucial to national economy will remain short of cadres for a long time to come. For example, it will not be possible to solve the critical shortage of agricultural technicians and experts before the year 2000.

By the force of circumstances, the system is becoming increasingly more elitist. Bottlenecks follow one another. The first one is found as early as the end of compulsory education, which, in France, corresponds to the 10th grade. Out of 300,000 students entering secondary school, how many will get their baccalaureate? Out of 193,000 candidates in 1986, only 40,000 succeeded. In 3 years (11th and 12th grades and the last grade to prepare

for the baccalaureate), secondary schools will have therefore rejected some 250,000 young people. In the best of circumstances, the professional training system will recoup 100,000 of them. The others will have to be satisfied with an elementary education to tackle an increasingly more ruthless society.

Algerian economy should create some 115,000 new jobs this year. The university released for the job market over 15,000 graduates with a major in advanced education, and professional training centers, some 100,000 technicians. This seemingly—but false—equitable relation between offer and demand definitively neglects those excluded from the system.

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#### EGYPT

##### Iran Reportedly Promises To Release Prisoners *45000007P Cairo AL-NUR in Arabic 9 Dec 87 p 1*

[Text] Mr Al-Hamzah Da'bis, chairman of the board [of AL-NUR], and the deputy of the Al-Ahrar Party have asserted that they received an official promise from Iran to release over 10,000 Egyptian prisoners captured during the current fighting between Iraq and Iran.

This promise was made in Iran during the meeting of Mr Al-Hamzah Da'bis with Hojjat-al-Eslam Mohammad 'Ali Taskhiri, information assistant in the Iranian Republic's Presidency, and Mr Hadi Khosrowshahi, former Iranian ambassador to the Vatican and head of the gathering of scholars in the city of Qom.

Both parties agreed that Shaykh Muhammad al-Ghazali, former Awqaf Minister Shaykh 'Abd al-'Aziz 'Isa, and Appelate Judge 'Abd al-Halim al-Jundi would present a request to the Iranian authorities asking for the release of the Egyptian prisoners, upon which Iran will accept immediately and release the prisoners.

Mr Hamzah Da'bis went to Iran upon an official invitation asking him to attend the conference of "The Sacredness and Safety of the Holy Places" which was held in Tehran from the 23rd to the 27th of November, where he and Mr Muhammad 'Abd al-Shafi, deputy of the Al-Ahrar Party, met with Hojjat-al-Eslam Taskhiri and resumed the talks which had been previously held on the release of Egyptian prisoners from Iran.

Hojjat al-Eslam Taskhiri promised to pay the travel expenses of the three ulema to Iran who will be making the request as well as those of the Egyptian prisoners from Tehran to Cairo.

**Plan To Reduce Diplomatic Representation**

45040029 London *AL-MAJALLAH* in Arabic  
28 Nov 87 p 9

[Text] The Egyptian Foreign Ministry has prepared a plan to reduce the level of diplomatic representation in a number of its embassies abroad in order to save hard currency, within the context of a plan to reduce expenditures. President Husni Mubarak has asked the Foreign Ministry to achieve this reduction in a manner that would not affect Egypt's diplomatic activity.

The plan, which Foreign Minister Dr 'Ismat 'Abd-al-Majid submitted to President Mubarak for endorsement, includes the following provisions:

—Reduction of diplomatic representation in approximately 35 countries to offices looking after [Egyptian] interests. The list of these countries includes 17 Asian countries, 9 Latin and Central American countries, and 9 African countries.

—Appointment of 17 resident ambassadors in 3 European countries, 7 Asian countries, and 5 African countries [figures as published], who will also represent Egypt in neighboring countries.

—!! Limiting representation in Europe, Asia, Latin America, and Africa to 9 offices.

—The plan suggests that in case of resumption of relations with the Arab countries, representation is to be limited to an embassy and a residing ambassador in every Arab region and a representation office to be set in each country. The Arab world has been divided into four regions: the Gulf region, which includes the GCC countries, with the embassy located in Saudi Arabia; the Arab Maghreb region, which includes Tunisia, Algeria, Morocco, Libya, and Mauritania, with the embassy located in Morocco; the West African region, which includes the YAR, the PDRY, Somalia, and Djibouti, with the embassy located in Sanaa; the northern region, which includes Jordan, Lebanon, and Iraq, with the embassy located in Baghdad. An embassy will be maintained in both Damascus and Khartoum.

13305

**Minister Calls for Streamlining of Legal System**  
45040018a Cairo *AKHIR SA'AH* in Arabic  
21 Oct 87 pp 10-11

[Interview with Minister of State for People's and Consultative Assembly Affairs Dr Ahmad Salamah by Suhayr al-Husayni]

[Text] The laws and acts of legislation which President Husni Mubarak has advised need to be reviewed are 16,000 in number. The question is, how will this immense activity be carried out? What is the anticipated role of the People's Assembly in carrying out this great

national activity? Moreover, how is it possible to coordinate the National Party, the government, and the opposition parties in the future? To what extent is it possible that the Consultative Assembly could become an assembly that has the authority to legislate?

In a frank interview, Dr Ahmad Salamah, the minister of state for People's and Consultative Assembly affairs, replied to the questions concerning the future.

At the beginning of his conversation, Dr Ahmad Salamah said:

"My task in the future, as I conceive it, is to review the legislation and laws in the various ministries. The People's Assembly, in coordination with the Council of Ministers and the various bodies, is faced with a very hard task, which is the one President Mubarak has advised, of liquidating and clearing up the current legislation and laws in all areas, now that they have come in number to 6,000 laws and 10,000 peripheral acts of legislation, which I personally do not claim to master!"

He said, "Coordination among the National Party, the government and the opposition parties in fact exists, although there have been some excesses because we are new at the exercise of real democracy, which began with President Mubarak's regime."

He said "In order for the Consultative Assembly to perform its legislative role in full, it will be necessary to amend the constitution. In the context of the current situation, it is possible that we may expand the assembly's limited legislative authority. That is something that is desirable."

**How Will The Review Be Effected?**

The meeting with Dr Ahmad Salamah, minister of state for People's and Consultative Assembly affairs, began with a discussion on President Mubarak's recommendations in his recent speech concerning the stock-taking and review of all legislation and laws, in light of the complexity and contradiction they have assumed, which could affect the realization of equity, and the role of the People's Assembly in this matter in the next stage:

"There is no doubt that the People's Assembly has a very important legislative role, especially since we are venturing on a stage of cleaning up all the legislation and blocking contradiction within it. That is the notion which President Mubarak was talking about in his speech, and it is an important, immense activity. The higher the degree of competence and awareness the body which assumes this activity attains, the greater will be the ease with which this matter will take place, at a suitable time, especially when we realize that we are still applying the laws which were set out in 1870, which led to the accumulation of legislation without study or coordination. This is something that requires much time and effort."

[Question] Do you believe that your selection as minister for the People's and Consultative Assembly in the new cabinet formation can be attributed to your expertise as a man of law and legislation? What role might you carry out during this stage?

[Answer] President Mubarak chose me for this position and I will perform my work as thoroughly as can be, to the extent possible, as is the case with respect to every job assigned to me. In spite of that, my conception of the task that concerns me in the next period is to go back to the legislation bearing on each ministry, collect it and review it for the sake of eliminating all contradictions or conflicts in it.

In addition, there is something very important which must be known to us all. That is that legislation could be an instrument for advancing society, and it could be an instrument for drawing it backward. Legislation must be in keeping with the circumstances of the society and civilization of each society, in the sense that a law which was issued in 1870 might not be suited to society's present circumstances, which there is no doubt are totally different from what they were. Therefore, the continued effectiveness of these laws as they are might be a means for obstructing the progress of society, which is a grave matter. Also, as we are trying to clean up the current legislation, we must rule out laws which are in violation of Islamic law, because the basic tendency among us is commitment to the application of Islamic law. That does not mean the elimination of all the laws that exist now in order to apply Islamic law at one swoop, but we will try as far as possible to clean up the current laws. h3

**Commitment To Islamic Law** [Question] What is meant by cleaning up the current laws? [Answer] If we take an example in civil law, we will find there what is called interest or "usury," which could be found in the transactions of individuals, banks or countries. It is certain that usury among individuals is prohibited by Islamic law. As far as the last two chapters [of the Koran] go, there still is a debate on the extent of the prohibition of this. Therefore, in the process of cleaning up the legislation, we will be anxious to remove the provisions that totally violate Islamic law, as is the case in transactions of usury among individuals.

[Question] What about the legislation bearing on banks and countries, around which a debate is underway on whether they lie within the scope of usury?

[Answer] With respect to banks, there is a debate on them. They are open to discussion. If people's opinions conclude that society will demand that they remain, it will be in people's interests to retain them. I adopt the views which are in keeping with the public interest. However, if the prohibition is categorical, it will be necessary to remove them. This is an issue which

requires deep study. Therefore, I say that we are faced with a massive legislative job in the next stage. We also need the issuance of new legislation which necessity requires.

[Question] For instance economic legislation, which is now in need of new regulations and additions, since the current laws no longer are in keeping with the economic activity of the society now. What is your opinion?

[Answer] In the economic sphere and in all spheres, legislation needs amending and simplifying. There also are existing cases whose remedy lies in the elimination of contradiction and conflict on the part of the laws that regulate them. In addition, there are other situations which might require the issuance of new laws.

[Question] What is requested in the current stage of the issuance of sound legislation?

[Answer] Legislation is an accomplishment which not every person can carry out. I for example, cannot be a contractor. There are areas of specialization. The issuance of legislation is an accomplishment which has its principles and rules. It is an autonomous science which has special bases and philosophy.

Therefore, I say that the day the non-specialists address themselves to legislation, conflicting legislation will proliferate. If I issue a law and I am not conscious of my task, it will need amending the next day with a peripheral law. The more it is applied, the more loopholes appear in it, which will prompt me to issue more peripheral laws supplementing it. Therefore, we have now come to have a mountain of legislation.

### A Jungle Of Legislation

[Question] How many laws are being dealt with now governing our dealings in Egypt?

[Answer] There are 6,000 instances of legal legislation and 10,000 instances of peripheral legislation. I wonder what human mind can master such a number. I personally have been working for 35 years in the law, I teach law at the university, and I have a number of works regarding a number of branches; nonetheless, I cannot claim that I have a mastery of all this legislation.

[Question] Therefore your objectives, as far as cleaning up the legislation goes, include reducing this tremendous number of works of legislation so that they will then be within limits which a jurist at least can grasp.

[Answer] The goal indeed is to effect a liquidation, cleanup, simplification and elimination of contradiction and conflict, because there is a principle in the law which

holds "Ignorance of the law is not excused from punishment." Therefore, it is necessary that I simplify the law for people so that they may master it, and that will not come about through this tremendous amount of works of legislation.

[Question] We are also in need of firm legislation which will not allow the presence of the loopholes through which specialists in the area of the law can penetrate.

[Answer] First of all, we advise legislators not to enter into details, because whenever they get bogged down in details loopholes proliferate. Therefore, an overall view and the issuance of flexible, not rigid, legislation are necessary.

Nonetheless, flexible law has advantages, and we must seek recourse to it as far as specific issues go. Also, there is no doubt that rigid law has its advantages, and necessity might require that it be put to use in the case of some issues. For example, French law was issued in 1803 and nonetheless it has continued to endure until 1987 and does not obstruct the development of French society. The reason for that is that most of the formulation of the law is flexible and allows for the progress of society. That is a difficult technical process.

### Comprehensive Coordination

[Question] How in your opinion will coordination among the National Democratic Party, the government and the opposition parties be possible in the next stage?

[Answer] As far as I am concerned, the door to my office is open throughout the day to People's and Consultative Assembly members, be they from the National Democratic Party or the opposition parties. This from the human standpoint is part of my job as minister of the People's and Consultative Assemblies. However, from the legislative standpoint, which is part of the responsibility of the job as well, I must sit down with the members of the National Party inside the National Party building and not here in my office in the assembly, so that we can lay out a sort of common party thinking among all the members. It is not reasonable for me to get in touch personally with every member when any issue is raised in the assembly to tell him that our thinking on this subject is such and such and it is necessary to do so and so. Therefore it is necessary to create common ground and common thinking among all the members which are in agreement with the party's principles and bases and its declared policy.

As far as the Council of Ministers goes, that represents the government of the National Party and at the same time does not differentiate between one member and another. Therefore, I consider that coordination actually exists and is progressing on its normal road.

[Question] Coordination might exist among the National Party, the government and the opposition parties, but sometimes this coordination is absent, and this comes about at the expense of the public interest in most cases, as was apparent in some People's Assembly sessions which television carried.

[Answer] In this regard, allow me to state my personal opinion, which is that we are new in the exercise of real democracy, in the sense that before the July revolution we did not have sound democratic practice, or after the revolution to the beginning of President Husni Mubarak's term in 1981 either. That is something that everyone acknowledges, from the opposition parties and elsewhere. Therefore, our experience with real democracy does not amount to more than 6 years. This period is insufficient for the maturation of the democratic experience and therefore it is normal that some excesses should appear in the first stage of practice. In addition, unfortunately, there are people who believe that the exercise of democratic rights can come about only through the use of words which are excessive. That is a kind of naivety as far as democratic practice goes.

[Question] What is the optimum, in your view?

[Answer] What shall we do? Shall we prohibit the exercise of democracy and go backwards, and thus commit the greatest crime against ourselves? This assuredly will not happen. Therefore we are faced only with the possibility of such excesses, along with a polite and objective response to them. In my opinion, when someone attacks me and I answer him calmly and objectively, here I am implanting a new value and causing him to be ashamed of himself. At the same time, I am giving the man in the street who observes the session on television a good example that strength lies not in abusive words and a loud voice, but that strength lies in sound logic and elegant persuasion. Therefore we rely not on the numerical majority in the assembly but on the power of logic and argument. Therefore, in my opinion what is happening now is a temporary, transitory thing which we should not be afraid of. The first goal in democracy is respect for the human identity, one of the priorities in respecting man is respecting civility of discourse, and whoever violates that implicitly gives judgment on himself as an undemocratic person. This will come about only through practice and the continuation of the experience. The important thing is that we are starting.

### The Proper Beginning

[Question] How will such a proper beginning come about?

[Answer] It will come when we speak objectively, since the man in the street who is following up on the session says, so-and-so is speaking with sound convincing logic and so-and-so is relying on a loud voice. I will not allow anyone to say that we are a people who have a high proportion of illiterates whose ability to discriminate

does not give them strength. Illiteracy is one thing, culture is something else, and civilization is a third thing. Our people have a high degree of civilization, for the reason that when we are talking with a peasant or simple laborer we often find advanced ideas in him which might be more than what is in educated people. Sound thinking is not a monopoly of anyone who is good at reading and writing.

In spite of all this, I can assert that most members of the opposition parties are friends, and they have come to my office to lay the groundwork. I have been happy with them; as it is said, differences in views do not ruin a cause for affection. We must support this value. Therefore, it is a matter of time. We are a people who have suffered from repression for a long time and have suddenly obtained complete freedom. Many of us have made good use of this freedom, in the opposition or in the majority party. It is the minority which is still not making good use of this freedom. This is a normal thing and it does not call for anxiety or pessimism.

[Question] President Mubarak's latest speech was in effect a statement to the government and the people for the sake of more production and development. Through your new position, what can you offer so that this statement will be an actual fact?

[Answer] I imagine that the most important thing now is the process of cleaning up and developing the legal legislation, which is an instrument for controlling the movement of society with the goal of realizing development and progress. In order for us to achieve this, we have to have a clear specific road on which we can proceed without mazes or obscurity and obstacles. That can all be realized by cleaning up the legislation. That is the assured way to progress and development. When I was teaching in the university, I told the first year Law Faculty students that it is possible to issue a single act of legislation that will guarantee society 100 years of development, and it is possible for the opposite to happen. Legislation spells out for the citizen the sound road he must travel in order that society will protect him, specify his rights and obligations for him, and thus he will become able to work and produce, with self-assurance, and society can live in peace.

### The Style Of Work

[Question] When will your responsibility of reviewing and cleaning up the legislation start?

[Answer] This is not just my task; rather, it is the task of the government, the People's Assembly and the members. We must all cooperate. It is a task which weighs heavily on everyone. The People's Assembly has begun with the formation of special committees on this, as have the Council of Ministers and the Ministry of Justice, and we will all cooperate to achieve this, taking note that President Husni Mubarak gave this recommendation in his latest speech just a few days ago.

[Question] It is well known that the People's Assembly has an oversight role. What is the nature of this role?

[Answer] The People's Assembly's oversight role is apparent in the review of the budget of the government and the general budget. It is also the right of every member to submit a request for information to the government. A request for information means an accusation, and it is the most severe type of oversight. Here I can assert that we will not conceal errors and therefore we wholly encourage the assembly to exercise its oversight powers in full.

### The Consultative Assembly And The Amendment Of The Constitution

[Question] Many people have requested that the Consultative Assembly become a legislative assembly. What is your view, and what is the possibility of achieving this?

[Answer] In the framework of the current constitution, it has come to constitute an impossibility for the Consultative Assembly to be a legislative assembly in the sense that people are familiar with, but it is indeed a limited legislative assembly.

[Question] What do you mean, the Consultative Assembly is a limited legislative assembly?

[Answer] In the sense that Article 194 of the constitution has made it obligatory for the Consultative Assembly to take part in some things, including the discussion of the laws supplementing the constitution. If it is assumed and the Consultative Assembly has not participated in the discussion of these laws, it then becomes a certainty that these laws are unconstitutional. Therefore, we can say that the Consultative Assembly has a legislative role, but it is a limited, incomplete one, and if I am to transfer a full legislative role to the assembly, amending the constitution is a necessity. Nonetheless, in the context of the current circumstances, it is possible for us to give the Consultative Assembly some expansion in the legislative power peculiar to it, by having us slightly expand the definition of the legislation supplementing the constitution, which is a desirable thing.

[Question] What is the nature of the legislation supplementing the constitution? Does that differ from other legislation?

[Answer] Certainly. There are things which the constitution itself has left up to the law to express. An example of that is the legislation bearing on the judiciary power, and also the legislation regulating local administration and public freedoms and the penal code. This is all legislation supplementary to the constitution. The laws supplementary to the constitution can be defined by a narrow standard or a broad one, and I advise adoption of the broad one.

I do not have a list of the legislation which is assuredly supplementary to the constitution. It is all individual theories, and the question ultimately goes back to the supreme constitutional court. Therefore, it is a precautionary measure for us to be liberal in the adoption of the standard of the laws supplementing the constitution and we will thus be obtaining more than one benefit, as if we are working for legislative stability which is compatible with the constitution, and we will also be giving the Consultative Assembly more power.

11887

**Public Prosecutor Justifies Press Embargo on Security Cases**  
*45040018b London AL-MAJALLAH in Arabic*  
*3 Nov 87 p 11*

[Interview with Public Prosecutor Muhammad al-Jindi: "The Prohibition on Publishing Material on Extremist Organizations Is in Favor of the Investigations, Not Against the Press"]

[Text] [Question] The Egyptian security agencies have cracked down on a number of terrorist organizations recently. Why have you issued decrees prohibiting publication of material on these organizations specifically?

[Answer] The public prosecutor issues decrees prohibiting publication when the interests of the investigation require that the facts of the investigation not be broadcast before the disclosure of all aspects and dimensions involving the criminal incidents which are being investigated, and when publication will have the effect of spoiling the results of the investigation or influencing the course of the case.

[Question] Doesn't public opinion have the right to know what events are going on around it, if only through a brief statement which summarizes what is going on, without influencing the investigations, as was the case regarding important cases previously?

[Answer] The office of the public prosecutor is pursuing the investigation at present, and as soon as the reasons for the prohibition on publication lapse we will announce the conclusions of the investigations. The interests of the investigation are concerned first and last with public opinion and through them ultimately we have the public interest as our goal.

[Question] Recently it has been repeated that the higher office of the state security prosecutor has conducted investigations on a number of important cases and the investigation ended with a failure to submit them to the court. These were not declared either.

[Answer] That is not true. The cases submitted to the office of the state security prosecutor are being kept for completion of the investigation. There are no cases in state security or other prosecutors' offices which are

ready to be disposed of which have not been disposed of either by being submitted to the court or on the argument that there are no grounds for filing suit, if there is a justification for that. The question is left for evaluation to the prosecutor's office, whether to submit it to the court or to reserve appraisal of it. Its evaluation in this matter is founded on the element of appropriateness, in realization of the public interest.

[Question] What political cases is the office of the public prosecutor now investigating?

[Answer] Investigation is now taking place with respect to a number of cases bearing on political organizations and others of different orientations which have connections domestically and abroad.

[Question] How many accused persons were arrested in these cases? What are these organizations' dimensions?

[Answer] I do not have the number of accused persons on hand now. As to the organizations' dimensions, there is no reason to mention them, for the sake of protection of the investigations. The investigations are on the verge of being completed and the positions of the accused in the organizations will be settled preparatory to their submission to the court.

[Question] In the view of the public prosecutor, are ordinary laws not adequate for resisting terrorism?

[Answer] At present it is possible to confront terrorism with the provisions that actually exist in the penal code, but it is good that special legislation be issued to rule on crimes of terrorism and international violence such as the hijacking of planes or ships and all crimes which are characterized by violence which have an international character perpetrated by the citizens of a foreign country on the territory of another country, provided that the heightening of the punishment be observed in a manner that is in keeping with the gravity of the crime. As to crimes of domestic violence, the law confronts those with penalties which I consider are sufficient. These are attempted murder, premeditated murder, and possession of weapons.

[Question] Is there judiciary oversight over the use of the emergency law?

[Answer] Yes, judiciary oversight exists, because the law has permitted people who are imprisoned in accordance with the emergency law to protest the imprisonment as soon as 30 days of their imprisonment elapse. This protest is submitted to the imprisoned persons' protest office subordinate to the public prosecutor and it is transferred to the higher (emergency) state security court for investigation into the reasons for the imprisonment which the Ministry of the Interior has submitted as justification for it. This court then issues its verdict to release the imprisoned person or reject the protest and continue his imprisonment, in accordance with what it

considers appropriate through an examination of the causes of the imprisonment. If the Ministry of the Interior does not object to the release ruling within 15 days, he will be released. If Interior does object, the court will rule on this protest within 15 days of its submission, and if it supports the release ruling, the imprisoned person must be released immediately. This represents judiciary oversight over the application of the emergency law.

[Question] What are the cases in which the office of the public prosecutor has conducted investigations during the past judiciary year, in accordance with the emergency law?

[Answer] These cases are crimes against state security at home and abroad that are connected to attempts to overthrow the regime and political organization, espionage, assembly, and arms cases. These are handed over to the higher (emergency) state security court, and the verdicts of these courts will not admit contestation by ordinary or extraordinary means (protest and appeal); rather, they are subject to approval by the office of the president.

[Question] Has the emergency law been applied in other cases?

[Answer] There are ordinary crimes against state security in accordance with Law 105, which are public property, bribery, rentals, and key money crimes submitted to the ordinary state security courts and not the emergency ones, and may be contested. However, these crimes are subject to the measures of the emergency law in the event the emergency law arises.

[Question] Are there powers which the emergency law grants to the office of the public prosecutor?

[Answer] Yes, the emergency law grants the office of the public prosecutor the powers of the office of the prosecutor and summary judge jointly. This is because the public prosecuting attorney conducting the investigation has the right to issue a decree of imprisonment for 60 days rather than the 4 days in the other laws. In addition, he has the right to issue an order recording telephone conversations and recording letters and correspondence without recourse to the summary judge. Thus, the powers of the office of the public prosecutor become broader in investigation, as contrasted with ordinary cases. The emergency law has granted these powers because of the gravity of the cases presented to the office of the public prosecutor in these circumstances and for the sake of speed in their execution.

[Question] Where, however, does the grumbling about the emergency law come from?

[Answer] The grumbling about the emergency law does not come from the investigation procedures in which the office of the public prosecutor engages, because these

measures are issued by a judiciary body which has guarantees and good repute in the use of the emergency procedures embodied in imprisonment, arrest, or inspection. However, the grumbling about the emergency law is fear of the other measures the emergency law grants for considerations of security, and arrest heads up these measures.

11887

### Various Aspects of Waste in Public Sector

#### Reviewed

45040018c London AL-MAJALLAH in Arabic  
3 Nov 87 pp 37-38

[Article: "The Policy of 'Biting the Bullet' and the Issue: Who Will Bell the Cat?"]

[Text] There is no place in the Arab world where the controversy over the role of the private and public sectors assumes the degree of acuity and insistence it does in Egypt. However, there is nothing amazing in that. In Egypt, more than in any other society, the economic and population crisis has reached a truly critical stage.

disguised Unemployment

Open any Egyptian newspaper any day and you will inevitably come upon a new chapter of the eternal debate and the serial of everyday controversy between the partisans of the public sector and its critics and people who demand that its role be reduced in favor of increasing the participation of individuals and private organizations. The public sector in Egypt has been subjected to accusation in any case and it has lost much of its popularity and credibility since the Egyptian leadership in February 1962 launched the campaign of comprehensive acts of nationalization of private organizations. The public sector, in the view of a large group of the administrative and economic elite in Egypt, has become the most important ward of the domestic economy and the prime obstacle to its movement and growth. Indeed, some people go so far as to say that the public sector has in effect become a cover for extensive disguised unemployment and the place where government problems that no one wants to confront, or whose entitlements they want to confront, are tossed. The major problem in Egypt, according to these people's opinion, is that each government or minister normally tries to avoid all unpopular policies in the hope that subsequent eras will come and they themselves will pay this bill, thereby risking their political capital. It is as if Egypt has now become a living stage for one of the famous fables of LaFontaine, which pointed out how the community of mice unanimously agreed, in the midst of enthusiasm and tumult, on the need to hang the bell around the neck of the evil cat which threatened everyone, then an incoherent silence prevailed when someone asked: Who will bell the cat?

### Losses in Hotels and Stagnant Inventories

The fact is that the popularity of the Egyptian public sector is sometimes referred to in terms of the popularity of the cat in the community of mice. The public sector organizations, it appears, do not work on a basis of feasibility and do not hold their managements to account for results with the severity prevalent in the private sector. These organizations are congested with surplus labor and their production is low, as is the quality of the goods and services they offer the consumer. This explains people's avoidance, normally, of these goods and their complaints about the slowness and ineffectiveness of services. It also explains the pileup of inventories of goods which do not get to the consumer. Some people have estimated the inventories of stagnant textiles alone at about 1 billion Egyptian pounds. All these phenomena are of course reflected in great losses or minor profits which by themselves cannot constitute an adequate justification for investment in these organizations and the expenditure of public money on their support and coverage of their mistakes. For example, the hotel units belonging to the public sector (54 in number) realized losses estimated at about 4 billion pounds in 1985-86.

Although Dr 'Aziz Sidqi, the former prime minister, believes that just 21 out of a total of 115 companies in the public sector are operating at a loss (which is a large percentage in any case), the critics of the public sector's performance comment by saying that it is not enough to state that these organizations are not subjected to permanent loss; rather, it is necessary to compare the rate of return they realize to the capital invested in them and to the volume of their assets. If this principle is applied, we will find that the majority of public sector organizations are running at a loss in practice, in the sense that they are not realizing a reasonable return. Dr Ibrahim Kamil, professor of management at 'Ayn Shams University and an owner of an industrial project which was established in the light of liberalization, points out, for example, that the profits of the public sector organizations, which have a capital of 345 billion pounds, do not exceed 4 billion, that is, slightly more than 1 percent, "and if this return were all that was realized by a private company, its owners would immediately investigate the points of disturbance, expel the manager or resort to closing it and turning to a more feasible activity." Kamil and his colleagues believe that the normal rate of profit in the private sector ranges from 20 to 30 percent, which is a normal rate in the inflationary climate the Egyptian economy is experiencing, if the decline in the exchange rate of the Egyptian pound is taken into account as well.

One of the chapters in the political maneuvers and verbal battles over the public sector at present is the heated controversy going on about the issue of whether or not to sell this sector off. This is a controversy that has become bolder perhaps because of the international climate, which is now militating to weaken the role of the government and strengthen the role of the private sector, especially in the developing countries. However, in the

case of Egypt specifically, this type of discussion is now leading to the diversion of attention from the real subject at hand, which is the structure of economic management and the existing system specifically. Some people for example have raised the question on who would agree to buy the money-losing public sector companies, at what realistic price they must be sold, how the private sector can dismiss the thousands of surplus workers and incompetent employees in them, and so forth, then, how the plan to turn the public organizations into individuals can succeed before sound economic policies are provided which will encourage investment, fight inflation, guarantee individual investors real freedom in the policies of employment, wages and prices, and consequently give the factor of the market and competition a decisive role.

### Is the Government Serious About Increasing the Role of the Private Sector?

Some Egyptian economists like Dr Ibrahim Kamil note, for instance, that apart from the controversy on whether or not to sell off the public sector organizations (or some of them), it is necessary to ask, first, why the government is basically continuing to allocate more investments and public money to this sector. If solving the public sector's problems, one way or another, requires time and the patience of Job, why doesn't a shift occur in the priorities of the government's economic policy, in the desire to direct a greater share of public investments to areas which will help the public sector take off and provide an incentive for individuals to move their savings toward productive projects? That is, the question is not, and must not be, of necessity that we should sell or not sell the public sector (it is certain that a basic part of the public sector must be retained, but with an increase in its efficiency); rather, the question is, shall we increase or not increase the role of the private sector and local and foreign investment?

The recommendations being circulated regarding the economic crisis in Egypt are numerous and diverse, but it is possible to say, simply, that most of them fall into the category of "reform" of the public sector or reduction of its role to a marginal degree. There also are other recommendations on the separation of management from ownership, so that the public sector organizations will be managed with the freedom and mentality of private organizations, on the sale of some non-vital public sector organizations or on the reaching of contracts with the private sector to take charge of their management. That is what actually happened in the sector of hotels and some tourist facilities.

11887

### Interview With Rayyan Company Group General Director

45040024 Cairo UKTUBAR in Arabic 15 Nov 87 p 15

[Interview with Ahmad Tawfiq 'Abd-al-Fattah, general director of the Rayyan Company Group, by Munir Muhammad Jamil: "If There Were Opportunity To Invest Dollars in Egypt Without Converting Them Into Egyptian Pounds, We Would Be Winners"; date and place not given]

[Text] Ahmad Tawfiq 'Abd-al-Fattah, a high officer in the Rayyan Company Group, spoke for an hour and a half about projects the Rayyan Company Group is undertaking in many areas, projects that have helped open new job opportunities for young people. The interview was as follows:

[Question] What is the number of projects that have been implemented to date?

[Answer] We have established 17 corporations in record time. There are several projects that have in fact been implemented, embracing 3,000 job opportunities, and that have begun their production. These include:

Establishment of an automated tile-producing factory on a 10-feddan lot on the Cairo-Alexandria Desert Road. It contains modern advanced equipment from Germany and Italy and employs specialists of a high degree of qualification. Another factory is for the production of hollow cement blocks. It should be mentioned that the production of the tile factory is 2,000 square meters a day.

We have also built a factory to produce industrial cleaners. It is located on a 5-feddan lot in al-Sadat City (kilometer 73) and produces 22 million kilos of liquid and powdered industrial cleaners a year. There is also the Rayyan fiberglass project in the first industrial zone at 6 October City, where bathtubs of various sizes are produced, along with automobile spare parts and tanks made of fiberglass under American specifications, in cooperation with the International Fiberglass Company. In addition, there is the large agricultural-industrial combined enterprise at kilometer 26 of the Cairo-Alexandria Desert Road. It contains a number of projects to produce selected seeds and processed meats. The company has made meat available at appropriate prices. It should be mentioned that the number of workers in the company is 3,000 and that their salaries amount to 1 million Egyptian pounds.

[Question] What are the projects that you will implement in the future?

[Answer] We are now starting a group of language schools ("Rayyan for Languages") for all stages of instruction. We began this year with the preliminary stages (kindergarten). Next year, God willing, we shall begin the elementary stage. In addition, a project will be established to produce spreads and embroidered clothing. The credits necessary for importing the equipment have been opened. This project will begin production early next year. We are also going to establish "al-Rayyan Farm," with 5,000 head of cattle, and a factory to process dairy products, in cooperation with the Danish Dane-Farm Company. This project will be built on a 6,000-feddan lot in the al-Nubariyah area. A complete housing project will also be built, with housing for young people, and above-average housing, with stores and a market, to help solve the housing crisis.

[Question] What is the role of the Rayyan Company Group in the housing problem?

[Answer] To date we have in fact built more than 200 housing units at the Pyramids, al-Duqqi, and al-Ma'adi. We are in the process of building many residential buildings in various areas of Egypt, such as Nasir City, Hulwan, and the Pyramids. If officials gave me land and utilities, within 1 year I would give them a 100-meter privately-owned apartment at a price not over 9,000 pounds (key-delivery). We have the wood, the iron, a factory to produce the bricks, and another to produce the tile.

[Question] But how does the Rayyan Company Group invest its funds?

[Answer] We invest our funds in three main directions. Part of these investments goes into production projects the company has implemented or will implement in the future. The second part is for the implementation of certain fast-return commercial projects that provide rapid turn-over of capital, such as restaurants, automobile service stations, jewelry, lumber, and hardware businesses. We also have some investments overseas, such as farms and restaurants in Saudi Arabia, and pill and drug companies in America. The third part goes to provide an amount of concrete liquidity to face the needs of clients.

[Question] Why has there not been concentration only on production projects?

[Answer] (The general director of the Rayyan Company Group explained that he is unable to invest all the funds he has in production projects that take a long time. Rather, there must be diversification between various production projects and fast-return commercial projects.)

[Question] Can all the dollars deposited by investors be invested in Egypt?

[Answer] Where are the projects in which one can invest? If there were a field in Egypt for investing the dollars, we would invest all the dollars we have. In order to invest in Egypt and build a factory, for example, we convert dollars into Egyptian pounds, but how are we finally going to return [the money] as dollars to its owner?

[Question] What are the products that you export overseas?

[Answer] We export processed meat products and cleaners, also fiberglass and natural juices to the Arab countries, especially Saudi Arabia.

[Question] What is the position of the government toward investment companies?

[Answer] The government is always striving to regulate the conditions of all investment companies and is concerned about the welfare of citizens. We welcome this and thank it for its praiseworthy stand.

[Closing remark by Ahmad Tawfiq 'Abd-al-Fattah] We have been active for 4 years in the area of investing funds. We obey all the regulations and laws that protect the funds of clients.

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## IRAQ

### Kurdish Revolutionary Leader Expresses Support for Iran

44040066a Tehran KAYHAN AL-'ARABI 5 Nov 87 p 6

[Interview with Jalal al-Talabani, Secretary General of the Kurdistan National Federation: "KAYHAN AL-'ARABI in a Frank, Open Dialogue with Mr Jalal Al-Talabani"]

[Text] In its effort to shed light on the actual state of the Iraqi opposition, and with the goal of presenting the Kurdish people's struggle in Iraq, KAYHAN AL-'ARABI met with Mr Jalal al-Talabani, secretary general of the Kurdistan National Federation, a symbol of the Kurdish revolutionary movement, and held a conversation with him of bold, frank and comprehensive dimensions whose arena was all the parties to the Iraqi opposition, the nature of the political alliances in being among them and their relations with the Islamic republic.

In view of the broad scope of the interview, we will present it in two parts.

We should not miss the chance to point out that the views presented at this meeting represent the position of the Kurdistan National Federation and Mr al-Talabani, without any distortion.

[Question] Perhaps we are departing from the familiar pattern in the course of classic traditional meetings in our conversation with you. Perhaps some questions will irritate you, but we want to show the facts to the Iranian and Iraqi peoples in service of the Iraqi cause and its dimensions. How do you anticipate the future of Iraq in the framework you are acting in, with respect to the cause and the arena in Iraq?

[Answer] Actually, there are no questions which irritate us. May God not allow a distortion to occur in the answer. I am ready to discuss every issue you consider necessary, and give you my greetings. We are prepared to answer any question you are so kind as to present, and I hope that the answer will be in my words as I inform you of it and that our views will be conveyed to the people as they are, without additions or subtractions.

[Question] Naturally, a traditional question arises, which is, how do you evaluate the situation in Iraqi Kurdistan now, from the military and political standpoint?

[Answer] Actually, the situation in Iraqi Kurdistan, from the military angle, is witnessing an escalation in struggle and military operations, as a result of the cooperation and alliance between the Kurdistan National Federation and the Islamic Republic on the one hand and as a result of the intensification of the Fascist Iraqi military attack against the people of Iraqi Kurdistan, which is aimed in reality at exterminating the Kurdish people, a point I would like to concentrate on and draw your attention to, hoping that you yourselves will draw the attention of the readers to it, which is the point of war of extermination in every meaning of the word. That is, the word is filled with its real meaning, since the government is destroying villages, uprooting the people, engaging in collective murder, banishing the Kurds from the land of their fathers and grandfathers, moving Arab families from the Western areas of Iraq and outside Iraq and practicing the policy of Arabization in an obvious form, especially in the oil towns, such as Khaniqin, Tuz Khurmatu, Daquq and Kirkuk. The policy of extermination is taking place up to Mosul, and we can give you many figures, since just in the last 2 years there are more than 700 villages whose names exist that have been destroyed in Iraqi Kurdistan. These villages have been rubbed into the ground with their inhabitants, with their mosques, their schools and their clinics, and hundreds of thousands of Kurds have been dispossessed or compelled to live in compulsory housing complexes similar to the complexes the Americans set up in Vietnam. They then send them away to the south or force them to enroll in the ranks of the mercenaries, whom we call the donkeys, or in the ranks of the Iraqi army, to fight the Kurdish people and fight the Islamic Republic. Then there is mass murder without any deterrent. I can give you the text of a decree issued by Hasan 'Ali al-Majid on 21 June 1987. Through this decree, you can see the manifestations of extermination in the areas which he calls the areas of saboteurs or the areas outside the influence of the authorities, which are many in Iraqi Kurdistan, where the killing of people and animals and the burning of trees, those which are green or dormant, are permitted. Moreover, anyone from 15 to 70 years old is seized in this region and executed at once without trial. In addition, animals are killed and the people's property that exists in the area is open to the armies, the donkeys and the other Iraqi armed forces, since everything except heavy weapons is the property of the person who is being subjected to plunder. That is, plundering is legitimate, theft is legitimate and the usurpation of people's property is legitimate, by the custom of the fascist 'Aflaq regime.

Then there is something new, which is not strange from the 'Aflaq Ba'th but is strange from liberated governments, and that is the use of chemical weapons against the inhabitants in the liberated areas in a concentrated manner not just to kill the Pesh Merga and the fighting

combatants but to exterminate [civilian] people as well, exterminate women and children, compel people to leave their villages and flee them for the areas situated under the authority of the government in the oil towns of the plain like Kirkuk, Daquq, Tuz Khurmatu, Khanaqin, Mandali and Kafri and banish the Kurds by force, that is, expel thousands of Kurds from their jobs and their places of work, while dispossessing thousands of families from their towns and bringing in thousands of Arab families with enticements. For example, in the city of Kirkuk, Kurds and Turkomans who have lived since their forefathers in the area of Kirkuk are deprived of the right to build homes;

Even if their old homes have been destroyed or sabotaged, they cannot build a home, while Arab families transferred from al-Rumadi, for example, are given 20,000 dinars, a plot of land and housing sometimes and benefits in addition to salary if they agree to transfer. Additions are also made to retirement pension in order to entice them to reside in the region, with the goal of Arabization, of course. We call this policy in reality the policy of extermination and settler colonization, in the sense of the word; as the French did in Algeria or the Jews in Palestine, so the people of 'Aflaq do in Iraqi Kurdistan.

This position has led to an increase in mass anger and an increase in vindictiveness against the regime, and consequently to an increase in the counter-resistance. The latest factor which has helped in the escalation of the resistance was the attainment of national reconciliation among the Kurdish political forces 2 years ago. After the Kurdistan National Federation took up the slogan of national reconciliation, reconciliation took place among the federation, the Kurdish Socialist Party, the Kurdish Democratic Party and the Democratic People's Party. This reconciliation also turned into bilateral agreements then into a Kurdistan front, this national reconciliation which has led to cooperation and combative solidarity and has created a climate of revolutionary resurgence among people and an atmosphere filled with optimism and hope after the dawn. Consequently this national reconciliation has led to an increase in combative action. Then the return of the fighting men belonging to the parties which were present in Iran, such as the Kurdistan Democratic Party, the Kurdistan Socialist Party, the Kurdish Socialist Party, the Kurdistan Democratic People's Party and the movement of Kurdish Moslems, and also the presence of some sectors of the revolutionary mobilization forces belonging to the supreme council of the Islamic revolution, have all led to an increase in military activities, and the existence of cooperation between the Kurdistan National Federation and the Islamic Republic has led to the performance of great joint operations beginning with the first victory, which prepared for the operations of the fifth victory, which were very great operations, in which, in one night, 127 military guards were liberated on our part, extensive areas were liberated and thousands of the enemy were killed, and also the other operations. In reality, there is a

kind of hope now among the Kurdish people, because they are not alone in the field. In the past we were relying just on our intrinsic forces, the Kurdish people, to the point where some people believed that we were isolated and did not have a backer or partisan in the world. However, following the cooperation with the Islamic Republic, hope has been engendered among the people that the Kurdish people had a backer and partisan in Iraqi Kurdistan, and that was the Islamic Republic, which is an important element in increasing Kurdish revolutionary activity in the towns and villages. The other factor which has led to the continuation of the resistance and its escalation has been the perseverance of the organizations such as the Kurdistan National Federation and the other Kurdish forces in the towns, in spite of the attacks and strong blows the government has directed at these organizations in the form of collective imprisonment, collective murder without trial and so forth. These organizations have continued to permeate the ranks of the masses and have remained strong and able to continue and perform their combative duties. In Iraqi Kurdistan there now in reality is a revolutionary atmosphere, an atmosphere of real struggle, an atmosphere of struggle in the trenches and not in the hotels, as we say. This atmosphere bodes well, and another good omen is the appearance of an inclination and readiness among the masses of the towns and the compulsory housing complexes to demonstrate against the government, since demonstrations and strikes occurred this year and it was possible to expand and strengthen these demonstrations. However, the Kurdistan National Federation has found that the time is not appropriate and it is premature for us to move all the forces into a struggle which is not decisive, and we all hope, God willing, that after the completion of the general mobilization in Iran, the heating up of the front and the initiation by the Islamic Republic's forces of a decisive, effective confrontation with the 'Aflaq forces, we hope first that the Pesh Merga's revolutionary activity will increase and second that the mass activity in the towns will increase, and after the creation of the Kurdistan front in a real manner, we hope that broad uprisings will occur in the towns of Iraqi Kurdistan and consequently that the participation by the masses of the towns in revolutionary activity alongside the Pesh Merga fighting in the rural areas will increase. These are the basic features of the situation in Iraqi Kurdistan.

[Question] The Kurdish arena and the Kurdish areas, especially the villages and rural areas, have witnessed a mass uprising. It is possible that this uprising could shift to the towns. What are the successful measures for the steps you are taking to support the masses in the towns?

[Answer] In reality, we talked about the increase in revolutionary, publicity and organizational activities inside the towns for the sake of revolutionizing the masses and calling the masses of the towns to revolutionary upheaval, whether it is an armed or mass upheaval, but it is necessary to realize some requirements, because the masses of the towns are consequently our masses, the

masses of our people are our materiel and our forces which have been stored up until the day of final triumph, and consequently one cannot sacrifice these masses or push them prematurely into losing battles. Therefore, we observe, regarding this issue, the presence and ripening of the objective circumstances for mass upheaval in the towns, and consequently encouragement, enticement and revolutionization will be an element in the realization of the upheaval at its time, and not an element to deliver the coup de grace to the mass upheaval before its time. Therefore, we can be wary with respect to this subject and we believe that the political requirements for the success of the upheaval include the realization of the Kurdistan front, in order to bring about the cooperation of the Kurdish forces active on the stage, because, if these forces act in isolation, they will not be able to carry out a great mission as they would if they acted in a unified atmosphere of solidarity, and that must be in a revolutionary atmosphere, an atmosphere for example of the intensification of struggles in the fronts since the group (the government) cannot mass all its forces to crush the course of upheaval in the towns. Another point is that this uprising is occurring in conjunction with the revolutionary tide and general attack and great operations. A fourth point is the need to exploit the tragedies and problems which the government is creating. For example, last year, the operations of emptying out the villages were used. When the government started to empty out the villages and destroy them, we provoked the masses into resisting it, we moved the Pesh Merga forces to support them and consequently the uprising occurred. Now we want to use such situations and government policies against the Kurdish people, or, for example, if the government suffers a defeat, a strong defeat in a coming battle, God willing, and we hope that it will suffer great defeats, it is possible that its foundations will be shaken. The masses will be pushed forward and their powers will be strengthened in a great uprising in the towns. We believe that in Iraqi Kurdistan we can organize, mobilize and lead the masses to hold an uprising in such circumstances, but we do not know how the situation is in Baghdad and in central and southern Iraq. You know that the Kurdistan National Federation and the Kurdish forces confine their activity to the area of Iraqi Kurdistan. As for the Arab areas of Iraq, these are regions of action of other forces, such as the Islamic forces and the other Iraqi forces. In reality, we do not know the extent of preparedness of the masses in Baghdad and in the center, but we do believe that the masses in Kurdistan have a readiness to participate and take part in the uprising.

[Question] How would you evaluate the Islamic Republic's support and the credibility of its thinking in supporting the Iraqi people, the Kurdish revolutionaries and the Iraqi people's cause?

[Answer] Everything depends on the Islamic Republic's support. In reality we must view this support from the standpoint that the Islamic Republic's entry into a defensive war against the fascist regime in Iraq is in itself

objective support for all the Iraqi opposition forces. This mere heroic ongoing defense in the war against the Iraqi government creates an atmosphere and creates the groundwork for an increase in the Iraqi opposition forces' operations. I will give you an example as far as we are concerned. We in the Kurdistan National Federation have greatly benefited from the Islamic Republic's performance of extensive defensive operations which have compelled large sectors of the Iraqi army to be preoccupied with the Islamic Republic's forces, and this has given us scope to expand the liberated areas, consolidate the liberated areas and develop our forces. For example, I assume that the Iraqi army, God forbid, could preoccupy itself with us in its entirety, that it could draw all its weight and forces against the liberated areas of Iraqi Kurdistan and that the situation could assume a different form. Now, however, that the forces of the Islamic Republic are preoccupying a great part, or the bulk, of the forces of the Iraqi government, that situation in itself represents great help for the Kurdish and Arab opposition forces in Iraq, secular, religious and Islamic. We must recognize this fact well.

The second point:

The Islamic Republic's support for us, for example, with heavy or intermediate weapons, has helped us increase activities and realize greater achievements. Then the Islamic Republic's support of the Kurdish revolutionary forces and the Iraqi revolutionary forces has created an atmosphere of optimism among the masses of the Iraqi people, because they have felt that they are not alone in the struggle against the existing fascist regime in Baghdad.

As to the credibility of the Islamic Republic in supporting the Iraqi opposition in general and the Kurdish opposition in particular, I am talking about the aspect which I am knowledgeable about. I do not want to stand on ceremony and I do not want to flatter, but I do want to speak the truth. With respect to the Islamic and Arab aspect, I am knowledgeable only from a distance, but as far as the Kurdish aspect goes, I believe that the credibility of the Islamic Republic in supporting the Kurdish revolutionary is clear in the following:

First, governments normally fragment forces and want to split these forces up so that it will be feasible for them to manipulate everyone. The Islamic Republic, to the contrary, has helped the Kurdish forces effect reconciliation among themselves and bring about cooperation. For example, the realization of cooperation between the Kurdistan National Federation and the Kurdistan Iraqi Democratic Party took place in cooperation with laudable participation and help from the Islamic Republic. This process in itself is proof of real credibility.

Second, giving heavy arms, and I believe it is not in the ability of some governments to give all these heavy weapons to opposition forces. For example, we as forces

known as the forces of the Kurdistan National Federation are secular forces and not religious forces. Nonetheless, the Islamic Republic gives the Kurdistan National Federation the heavy arms which strengthen the forces of the federation in its performance of great operations, and that is proof of its help.

Third, the failure to impose any political, religious, economic or military condition, except common cooperation, solidarity and a common struggle against the fascist government.

Fourth, constant affirmation on the Iraqi people's right to self-determination and the Kurdish people's right to live in Iraqi Kurdistan, enjoying the resources and rights of their nation.

Fifth, for the first time in history, we find a government like the Islamic Republic signing a political agreement with a revolutionary organization like the Kurdistan National Federation. This political agreement includes common struggle and support for the Kurdish liberation movement and attainment of its goals through the struggle for an independent people's Iraq determining the destiny of its regime.

Sixth, joint cooperation for the sake of enmity toward or a stand against the forces which covet the territory and resources of Iraq. This agreement in itself is proof of the credibility of the Islamic Republic, because shifting the situation to a political agreement is different from countries' playing with specific causes and questions.

For example, you note that any other relationship founded on aid, such as the provision of weapons and materiel — such a relationship is different from relationships founded on political bases, except for this fact. The brothers' ideology here is Islamic and the Islamic ideology does not frighten the peoples of the region. We can say this frankly.

The Islamic current and the Islamic Republic do not constitute a threat at all. Even if a dispute occurs with the Kurdistan National Federation, over the presence of a people on their country's territory, a dispute might occur between the Kurdistan National Federation and for example the Islamic Republic or the Islamic current, but this difference does not involve the Kurdish people, because the Islamic current does not represent a racist current, while the 'Aflaq Ba'th' does represent a racist current and is eliminating the Kurdish people from their territory and uprooting them by their roots, renouncing Kurdistan and plundering their resources. The Islamic Republic, for instance, is not Arabizing, Persianizing or Turkifying Kurdistan. It wants the Kurdish people to be on their territory in their country in their villages and regions.

The Islamic ideology includes tolerant ideas. It is not racist. These are ideas which call for the downtrodden themselves to be the rulers and inherit the earth. Therefore the downtrodden and the oppressed must be supported and must be backed, and we are more downtrodden than others. Therefore, the Islamic ideas that the Islamic Republic adopts come as further proof of the credibility of the cooperation with the Kurdish people's liberation movement, and so far, in practice, I have not in reality seen anything other than this in it. In all stages and regarding all questions total agreement takes place and there is no imposition or insistence on positions. At times they differ. We say we will not carry out such and such an action; no one gets angry and no one imposes anything on us. These are all elements of proof of the credibility of the Islamic Revolution or the Islamic revolution in its support of the Iraqi opposition movement and the revolutionary movement in Kurdistan and in Iraq.

[Question] Mr Jalal, tangential to what you have been so kind as to state, there are some international parties or some if one may use the expression Iraqi parties which find fault with the Kurdistan National Federation and the Kurdistan Democratic Party for carrying out broad military holy war operations in cooperation with the forces of the Islamic Revolutionary Guard. How do you comment on this subject?

[Answer] The people who find fault with us for our alliance and combative solidarity with the guards of the revolution and the forces of the Islamic Revolution do not understand our situation, do not know the tragedies and catastrophes that are subjecting our people to extermination and annihilation and do not know the fact that the common enemy, which is the fascist Saddam regime, is launching two wars, the war of extermination of the people in Kurdistan and an aggressive war against the Islamic Republic, which unites the two parties, the Kurdish revolutionary movement and the Islamic republic, in a single camp against a single enemy, and causes us to have common interests. Moreover, in reality, they do not understand the nature of the Islamic Republic, the nature of the credibility of its relations or the nature of the Kurdish forces that are fighting to liberate their people, guarantee their independence and establish their relations with the Islamic Republic on bases of principle. Moreover, these bodies ignore a fact, that the Kurdish people have the right in defense of their existence and their rights to ally themselves with the Islamic Republic. These bodies might be broken down into many sections, and not in one form. Some of them are prejudiced, some of them are colonialist, fearing the solidarity of a Kurdish revolutionary force with a revolutionary force in the Islamic Republic, are afraid for their colonialist interests and benefits, and some of them might be afraid for what they are dreaming of or wanting, but we in the Kurdistan National Federation do not hide our alliance and our relations with any friend and enemy, because we do not see anything in these relations that might obstruct our alliance. We have declared our alliance with the Islamic

Republic and have expressed this in our papers and statements, because we consider it a necessary, beneficial and legitimate alliance. Consequently, we believe that we are performing a service for our people and our revolution, defense of the existence of the Kurdish people and Kurdistan and defense against the fascist 'Aflaq onslaught and for the liberation of Iraq from the grievances and catastrophes that the 'Aflaq regime has inflicted, through our alliance with the Islamic Republic, and therefore we stress our alliance and strive to strengthen this alliance on bases of principle.

We say this and write it in a broad script and an eloquent voice.

[Question] Mr Jalal, what is your conception of the future regime in Iraq, especially since all the Kurds and Arabs in Iraq are Moslem and the experience of Iraqi Kurdistan has been a living one, which is present today on the stage in the Islamic regime in Iran, in spite of the pressures created by some currents, which managed to provoke some Kurds and quickly were eliminated thanks to patience, virtue and great treatment on the part of the Islamic Republic toward the Kurdish people?

[Answer] As far as Iraqi Kurdistan goes, in Iraq, we call for the Iraqi people and the Kurdish people to determine their destiny following victory over the fascist regime. From now, and in advance, I cannot give the Kurdish people orders on how they should determine their destiny or the Iraqi people orders on how they should determine their destiny. That is a matter which concerns the two peoples. However, as regards the Kurdistan National Federation, we view the new Islamic resurgence as a revolutionary movement hostile to colonialism and reaction. That is, the Islamic resurgence in the Islamic world is not a right wing one and is not a reactionary one; it is a revolutionary resurgence hostile to colonialism and reaction and consequently we believe that it is in the interests of the Kurdish revolutionary liberation movement to ally itself, cooperate with and be in solidarity with this Islamic revolutionary movement. In regard to Islam, we believe that the Kurdish people are one of the peoples of the Islamic nation, and we also believe that the nation of the Kurdish people, Kurdistan, is a part and a region of the Islamic nation. However, here we differ with some people. We do not consider the Kurdish people part of one of the peoples of the Islamic nation. We do not consider the Kurdish people, for example, an inseparable part of the Iraqi people. The Iraqi people are part of the Islamic people.

We consider the Iraqi people to be a Kurdish people and an Arab people, and we consider the Kurdish people equal to the Iraqi, Turkish, Persian, Azari, Baluchi, Afghan and Pakistani people and all the other Moslem peoples. That is, if we go back to the holy verse which says, "We have made of you peoples and tribes so that you may get to know one another: the most honored of you to God is the most pious of you," we consider the Kurdish people to be among these peoples.

Our difference with some people is that they make the Kurdish people part of a part. We are not part of the whole. That is, if there is a single Islamic state, we are among those who will agree to the rubric of the Union of Soviet Socialist Republics. If there is a federation of Islamic republics, we will agree to that, or something in that form, but if some forces act deceptively against us, against the Kurdish people, with pro forma verbal tricks to present the Kurdish people, for example [saying] the Kurdish people are part of the Iraqi people and the Iraqi people are part of the Arab nation, that statement is to be rejected by the Islamic National Federation, or that the unity of Iraqi national soil is Iraqi soil, part of the soil of the Arab nation, that statement is to be rejected by the National Federation. Having the Kurdish people be part of the Islamic nation we accept. Why do you accept? First of all, because it is a fact. It is a fact that it is one of the Moslem peoples. We are not Moslem individuals. I might differ with your question. A Kurdish people exists, if the Kurds as a Moslem people adopt part of the Islamic nation, but if we are destined, or it is imposed on us to continue as part of the Iraqi structure, which (Somesbill) created, (Kurna) and Ellis, and Sir Percy Cox, after the end of the world war, we certainly oppose this and call for a federal state in Iraq.

However, the Kurdish people as part of the Iraqi republic enjoy the right of self determination. But how can the people use this right? We do not know. Federal, expanded autonomy, we do not know, but the Kurdish people have the right to determine their destiny and others cannot impose it on them.

[Question] Do you have a specific political program concerning Iraq's future?

[Answer] The basic task which all programs, efforts and issues must concentrate on is bringing down the fascist regime and ridding the Iraqi people of this octopus and this 'Aflaq cancer which threatens Iraq with annihilation. After getting rid of it and saving the people from these catastrophes and disasters we can then sit down and discuss the subject. However, regarding general points, we do not have numerous specific programmed conceptions. Rather, we do have general conceptions. We believe that the Kurdish people should be consulted regarding what is desired for it and that what others want for it should not be imposed on it, and the same for the Arab people in Iraq. Today we must concentrate efforts only on the basic thing, which is the destiny and liberation of Iraq from the 'Aflaq clique, and we consider that it is in people's interests for us to concentrate on this point only. Why? So that we not provoke disputes, so that we not provoke different individual theories and so that we not dissipate forces. We want the unification of all the forces opposed to the fascist Iraqi regime regardless of their ideologies, notions and views so that we can hasten the liberation of Iraq from this 'Aflaq cancer which is eating Iraq, in terms of the people, army, economy, land, nation and so forth, and consequently we consider that the ideological and intellectual disputes

must remain within the organizations and not take up the stage of practice, the stage of conflict, with its conclusions and consequences.

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## ISRAEL

### Foreign Currency Reserves Up

44421c Jerusalem Domestic Service in Hebrew  
1300 GMT 4 Jan 88 TA

[Text] Israel's foreign currency reserves went up by \$13 million in December and have now reached \$5.329 billion, according to figures released by the Bank of Israel. Last month the government printed 288 million shekels. Our economic affairs correspondent Me'ir Einstein reports that a lot of money was printed because two salaries were paid to civil servants in December.

### Israel: Cabinet Approves 1988 State Budget, Cuts

TA031715 Jerusalem Domestic Service in Hebrew  
1600 GMT 3 Jan 88

[Excerpt] The Cabinet approved the 1988 state budget of 48 billion shekels. Our economic affairs correspondent Me'ir Einstein reports that 18 ministers voted for the budget, 2 opposed, 2 abstained, and Minister Yitzhaq Moda'i did not participate in the vote. The state budget includes a cut of some 742 million shekels, some 13 million shekels less than the Treasury had requested.

### 1987 Immigration Statistics

40942c Jerusalem Domestic Service in Hebrew  
0505 GMT 1 Jan 88

Excerpt] In 1987, 13,658 new immigrants arrived in Israel, compared to 10,500 who came here last year. The main reason for this increase has to do with changes in the Soviet Union's emigration policy.

### 1987 Population Statistics

40401c Jerusalem Domestic Service in English  
1800 GMT 31 Dec 87

[Text] The population rose by 72,000 this year. The Central Bureau of Statistics in its end of the year figures puts the country's population at 4.4 million. Of these 82 percent are Jews, 14 percent Muslim, 2.3 percent Christian and 1.7 percent Druze and others.

## JORDAN

### Experts Discuss Relations With European Common Market

44040052b Amman AL-DUSTUR in Arabic  
1 Dec 87 p 9

[Article by Salim al-Ma'ani: "Conclusion of the Symposium on Economic Integration and Jordan's Relations with the European Common Market: A Discussion of the Future of Cooperative Relations between Jordan and the European Market"]

[Text] The symposium on economic integration and Jordan's relations with the European Common Market

concluded its activities last night following its discussion of a number of working papers during a number of sessions in the symposium hall in the Ministry of Higher Education in Amman.

### The First Session

During the first session, headed by Dr Jawad al-Anani, the chairman of the Royal Scientific Society, two working papers were discussed. The first was titled "The European Group's Economic Relations with the Middle East Countries," submitted by the researcher Lucas Tsukalis of Britain's Oxford University.

In that, the European economic group's relations with the Arab countries through the East-West agreements was subjected to analysis. This concentrated on a group of factors which will play a basic role in determining the Arab countries' relations with the European group.

It defined these elements as the entry of new countries into the group, such as Spain, Portugal and Turkey in the future, and consequently the expansion of its scope and the reflection of this on Arab exports to the countries of the group, which could face competition from these new countries in view of the similarity of their products.

It also spoke about the negotiations which are underway now between the countries of the European economic group on the one hand and the Gulf Cooperation Council countries on the other, pointing out in its analysis that the establishment of a free trade zone between the two regional groups could arise from such an agreement.

In his paper the researcher Tsukalis stressed that Jordan had to begin as of now studying the dimensions of this agreement in order to define these features and prepare for them, pointing out that if Jordan could activate the agreement signed by Jordan and the countries of the group and benefit from it to the greatest possible extent, the discussion between the two sides in the next 2 years would concentrate on three basic elements — standards and specifications, joint companies and the financial aid offered by the market countries to Jordan.

He stated that this meant that in order for Jordan to be able practically to enter the markets of the countries of the European group, it would be necessary for its products to be subjected to the standards, specifications and criteria the group countries demand and it would be necessary to seek seriously to enter into joint investment projects established in Jordan serving the Jordanian market and the Arab region.

As for the second paper, Dr Adib Haddad of the Jordanian Central Bank presented that. It was titled "The Future of Relations of Cooperation between Jordan and the Countries of the European Economic Group." In it, he reviewed various aspects of the relations of cooperation between Jordan and the European market, referring

to the possibilities of developing this relationship in the future between them in a better manner, in a manner positively reflected on the two parties.

He then spoke about Jordan's role in regional and international cooperation, stating some of the areas in which Jordan can play this role, such as the areas of science, technology, machine industries, trade and the support by the countries of the group of Jordan's position as regards the occupied Arab territories and the need to stimulate the Arab-European dialogue.

### The Second Session

Dr 'Adnan Badran of the Higher Council of Science and Technology chaired the second working session, where two working papers were presented. Presenting the first was Dr 'Id 'Urayfij of the Ministry of Industry and Commerce, concerning commercial relations between Jordan and the countries of the European group and Jordan's efforts in stimulating Jordanian exports to Europe.

Dr Mundhir al-Shar' of al-Yarmuk University presented the second paper, on the same subject as the foregoing. The two papers dealt in detail with commercial relations between Jordan and the countries of the group with a description of the state of the balance of payments between Jordan and the countries of the group, which suffers from a great deficit that has come to about \$750 million.

The two papers stressed the need to remedy this situation so that the countries of the group will facilitate the entry of Jordanian exports to their markets in a manner which will improve the state of the balance of trade, especially in the areas of Jordanian basic industries and agricultural commodities.

Another paper was then submitted on ways and means for encouraging the export of Jordanian fertilizers to the countries of the group. The paper stated that broad scope exists for the export of Jordanian potash and phosphate to the European group's markets.

It also described the volume of trade in these materials, ways and means which must be followed to increase these exports and the obstacles facing them.

### The Third Session

Chairing the third session was Prof Roger Owen, chairman of the center of Middle East studies at Britain's Oxford University. Two working papers were presented. The first, by Mrs Tamam al-Ghul of the Ministry of Planning, dealt with financial relations between Jordan and the countries of the group; in it she reviewed the details of the financial aid presented by the countries of the group to Jordan via three financial agreements and the execution of two of them so far. The third agreement will be signed "soon."

The paper stressed the existence of a basic role for the countries of the group through which it will be possible for them to provide the suitable support for Jordan in the area of the transfer of advanced technology to Jordanian organizations and universities in a manner supporting the development plans and process in Jordan.

Dr Ahmad Qatanani, the deputy minister for occupied territory affairs, presented a working paper on the group's relations with the occupied Arab territories in which he reviewed the actual state of these areas' economies and the aid the countries of the group have presented to them with respect to the financing of rural development, participation in the financing of some projects through some non-government organizations and the provision of scientific fellowships to the universities and food aid through the International Relief Agency and the International Red Cross.

Dr Qatanani, in his paper, stressed the importance of the support in the area of industrial and rural development which the countries of the group are offering through such Jordanian institutions as the Industrial Development Bank and the Jordanian Cooperative Organization for the Occupied Arab Areas, stressing the need for this approach to continue.

The paper pointed out that the total support offered to the West Bank and the Gaza Strip by the countries of the European group and through the various aforementioned channels came to 19 European units in 1987, in addition to a further \$25 million offered as development and humanitarian aid by various countries besides those of the European economic group.

The paper pointed out that broad areas exist for the countries of the European group to develop their support of the occupied Arab territories outside the 5-year development program which the Jordanian government has set out for the development and improvement of the occupied Arab territories, which has been expected to cost \$1 billion during the 5-year period.

### The Fourth Session

In the fourth session, chaired by Dr Ahmad Qatanani, the deputy minister of occupied territory affairs, three working papers were discussed. The first

covered the political dimension of the relations between the Middle East and the European economic group; it was submitted by Mr Nabih al-Nimr, secretary general of the Foreign Ministry, and in the course of it European-Arab relations since the establishment of the League of Arab States were reviewed. It described the history of the European Common Market and the development of relations with the Arab countries.

He stated that the October 1973 war and the use of oil as an Arab weapon which occurred in conjunction with that are to be considered an important turning point in the history of these relations.

The paper dealt with the resolutions related to the Palestine cause issued by the United Nations, especially Resolutions 242 and 338, the Venice declaration of 1980 and the growth of the Arab-European dialogue since 1974, with emphasis on the role of the European common countries group in implanting peace in the Middle East, the Brussels statement and Jordan's positive view of these contributions and the proposals the countries of the group are making.

Prof Robert Mabro, director of the center of energy studies in Oxford University, presented a working paper titled "Oil and Energy," in the course of which he described possibilities of establishing joint investment projects and the role Arab funds can play in this direction and Jordan over the long and short range, especially vis-a-vis regional cooperation with the countries of the Arab East and Egypt, provided that the model extend to include the other Arab countries, pointing to the possibility of the cooperation of the countries of the group with the neighboring European countries, including the Scandinavian ones.

He stressed that one of the bases for this has been the success of Jordan, under the leadership of His Majesty King Husayn, during the extraordinary Arab summit held in Amman recently; this gave Jordan a positive, major role in realizing Arab solidarity.

Prof Hamid al-Qaysi of al-Yarmuk University presented a working paper titled "The Energy Policies of the Countries of the European Economic Group and Their Repercussions on the Oil Situation in the Middle East." That reviewed these countries' energy policy since its establishment, with emphasis on the crystallization these policies since 1973 and the policies the countries of the group followed by using alternative energy sources in order to reduce reliance on oil as a source of energy and the inputs of other industries.

The paper referred to the success of the policies of the countries of the group in reducing energy demand, which has led to an increase in the production of nuclear power and the use of solid fuel and natural gas, with emphasis on policies pursued to conserve energy.

Prof al-Qaysi described the effects energy policy in the European group has had on Arab oil, since the crisis of what is called the European market oil glut has emerged; this has led to a decline in the production of Arab oil and consequently a decline in revenues from that and a drop in its prices from their previous levels.

He called for the adoption of a form of coordination with respect to energy policies in the countries of the European group and the Arab countries.

### The Fifth Session

Dr Kamil Abu Jabir, professor at the Jordanian University, chaired the fifth session of the symposium, which offered two working papers. The first, by Dr Roger Owen, director of the center of Middle East studies at Oxford University, was titled "The History of Arab Economic Integration in the 20th Century"; in the course of it, he dealt with Arab economic history from 1800 to 1950, defining the history of economic integration in the period between 1950 and 1957, which was labeled the free trade stage, and referring to the second stage, which is the stage of the creation of the Arab common market since 1957-1967.

He addressed himself to the expression "integration" through the expansion of oil wealth. This is the stage which accompanied the discovery and exploitation of oil and the oil producing countries' needs for labor from non-oil Arab countries, which contributed to the distribution of oil revenues.

He spoke about the stage of bilateral regional and regional Arab economic integration, with the example of the Gulf Cooperation Council.

The second working paper was by Dr Cyril Ziran Lin of Oxford University. This dealt with the economic integration of the region of Asia and the Pacific Basin. It addressed itself to the integration experiment and the character by which these countries are distinguished, including the low cost of the work force and the flow of foreign capital toward them.

He praised the experience of these two groups of developing countries, especially the countries of Indonesia, Thailand, the Philippines, Malaysia and the second group, the countries of Singapore, Taiwan, Hong Kong and South Korea.

It should be pointed out that the symposium, which lasted 2 days, was held in cooperation between the Royal Scientific Society and the Jordanian and al-Yarmuk Universities on the one hand, and Britain's Oxford University on the other.

11887

### FRG Offers Technical Cooperation

44040052d Amman AL-DUSTUR in Arabic  
30 Nov 87 p 2

[Article: "The Signing of Technical Cooperation Memoranda with West Germany To Improve Living Conditions in the al-Zarqa' River Basin"]

[Text] Yesterday morning technical cooperation agreements in the rural development field were signed in the Ministry of Agriculture by the governments of the Hashemite Kingdom of Jordan and the Federal Republic of Germany.

The memoranda stipulate that the German government will send experts, consultative services and technical agencies to improve the living conditions of the inhabitants in the area of the al-Zarqa' River basin project and provide suitable training for a number of Jordanian experts with the goal of substituting them for German experts and assuming the agency's services that are assigned to them when their mission ends.

Signing the memoranda were Mr Marwan al-Hamud, minister of agriculture, and Dr Herwig Bartzel, West Germany's ambassador to Amman.

11887

**Rally Affirms Solidarity With Palestinians**  
*44040052c Amman AL-DUSTUR in Arabic*  
*1 Dec 87 p 12*

[Article: "At the Professional Union Complex: Celebration of the International Day of Solidarity with the Palestinian People"]

[Text] Yesterday afternoon a great festival of solidarity with the Palestinian people was held at the complex of professional unions on the occasion of the international day of solidarity with the Palestinian people, which occurs on 29 November each year.

Inaugurating the celebration was the lawyer Na'im al-Madani, monitor of the festival, with a brief statement in which he talked about the painful anniversary — the anniversary of the partition of Palestine in 1947. He then presented the lecturer, Dr Walid Marqah (chairman of the body supervising the activities of the union complex and the main speaker at the celebration).

Dr Marqah, in his talk, said that the more this day expresses the solidarity of the peoples of the world with the Palestinian people and their support of their legitimate national rights, the more the racism of Israel, founded on injustice and aggression, its disdain for the rights of the Palestinian people, its neglect of the successive United Nations resolutions on the Palestine cause and its contempt for this organization — which embodies the will of the international community — is apparent to the whole world.

Dr Marqah added, "The partition resolution which was issued 40 years ago to this day is the prop the Zionists relied upon to establish their racist state, take over three quarters of the Palestinian nation and uproot more than a million refugees from their homeland."

**The Settlements**

He referred to the establishment of settlements within the usurped nation. From June 1967 to mid-1987, 2.8 million dunums of West Bank and Gaza Strip lands have been taken over.

In addition, the number of Israeli settlements established on the West Bank up to the beginning of this year has come to about 157, distributed among the cities of Jerusalem, Hebron, Janin, Tulkaram, Nablus and the other usurped towns.

Dr Marqah also asserted that our Palestinian people, with whom all the peoples of the world are in solidarity on this day, are stronger than all their enemies, will continue to persevere on their territory, resisting all the practices and pressures of the occupation, and will not settle for an alternative to liberation, return and their right to self-determination.

He said, "Our solidarity with our Palestinian people on the occupied territory and our continuing support for them will enable them to escalate their heroic activities and firm national anger will grow among them and will make it easy for them to stand with firm feet on the smouldering embers of the occupation."

At the end of his talk, Dr Walid Marqah said, "I know that a people cannot be in solidarity with itself, and we are a single people."

After the talk the people in attendance hailed all the pious martyrs, not the last of whom was the hero of Qabiyah, Khalid Akar, "Abu Rami."

**Ibrahim Nasrallah**

The poet Ibrahim Nasrallah participated in the festival with a number of long poems, among them Songs of Life, Villainy, the Flowers Remaining and so forth.

The festival included a presentation of a film titled "The Palestinians Have the Right To Live," a Soviet film portraying the sufferings of the Palestinian people.

The festival also included an exhibit of pictures, posters and drawings by the martyred artist Naji al-'Ali and the fighting men who fell for the sake of Palestine.

It also included views of Palestinian cities and posters and dress representing the immortal Palestinian heritage.

11887

**Scholar Discusses Conference on Interreligious Harmony**  
*44040052a Amman AL-DUSTUR in Arabic*  
*1 Dec 87 p 7*

[Article by Dr Ra'uf Sa'd Abu Jabir: "The Scope for Future Islamic-Christian Coexistence"]

[Text] Last week the nation's capital witnessed a meeting filled with intellectual effort and constructive dialogue on the part of a group of eminent scholars and gracious

men of religion and ideas, under the chairmanship of His Highness Prince Hasan, and with his actual participation. The eminent newspaper AL-DUSTUR (on 24 and 25 November) published the valuable discussion which Prof Kamil al-Sharif, chairman of the executive board of the Islamic conference of Jerusalem, presented during the meeting, and it thus offered a lofty service to the reading public through the broad expertise, deep knowledge and pioneering perspectives the discussion involved, which we have become familiar with in Prof al-Sharif's writings over many years.

While I totally agree with the writer of the research work that Islamic-Christian meetings are not a new phenomenon and that they in fact have not been suspended for a day since the appearance of Islam on the Arabian Peninsula, I would like to point out that at the present time they have assumed a distinctive character because of the media resources that have been made available to them, which have given people scope to participate in this dialogue among themselves and in their daily gatherings. These subjects, which, until a recent time, were sensitive and were vouchsafed to an elite of scholars, intellectuals and people of opinions, have become current ideas, in particular for all people with good intentions and moderation in affairs. An exemplar of this change is a dialogue which took place between the Hashimite Prince 'Abdallah Ibn Isma'il and 'Abd-al-Masih Ibn Ishaq al-Kindi, who lived and died a Christian Arab in the early part of the third Islamic century. In it, the prince said, "I do not debate with you except over what is beautiful in the form of words, good in the form of statements and flexible in the form of semantics. We are content with what the intelligence has mandated, since there is no compulsion with respect to religion." These beautiful words remained limited in scope and I do not imagine that the number of people who read them and reflected over their gracious content throughout history came to more than a few thousands who were concerned with reading or with the subject itself. Meanwhile, the whole world, through the papers, radio and television, has heard the voice of our Hashemite King Husayn telling the people taking part in the meeting, during his majesty's meeting with them in the crowded royal court, "I am perhaps certain that you will arrive at resolutions and conclusions which are aimed at supporting the lofty principles which we believe in and for whose sake we are working." They also heard the voice of the Hashemite Prince Hasan stressing, in the statement that he gave at the opening of the fourth Islamic-Christian meeting, "When we talk about pluralism, we are talking about an actual state which has thrived and still is thriving, and has enriched the generous civilization in this region to the degree where the modern Arab renaissance was based on the premise of pluralism. What we share transcends the different types of restrictions and barriers, because there is a common human course which we must supply with generous thought. A common Christian-Islamic responsibility exists in an integrated world which is mutually interdependent, and I am sure that the spread of these notions on a broad scale will have major benefit

in the international context, since the world is aware of the importance of the notion of moderation and the notion of pluralism, as far as we are concerned, in these areas which have been known for their deep-rooted civilizations and their splendid human achievements, which still, in spite of disasters and setbacks, firmly believe that the most dangerous enemy of a human society devoted to God and divine missions is fanaticism, which provokes fragmentation and division and yields as fruit only weakness and laxity. Also, the benefit of applying this conscious knowledge to general effect becomes of utmost importance in the national context, since it helps people build a single nation and a single motherland in an atmosphere mixed with love and true fraternity."

I was taken by Prof al-Sharif's statement that his "purpose in referring to historic facts is not aimed at a condition of glorification of Muslims or at praise for the spirit of tolerance among them, but at ascertaining some facts which could constitute points of departure for dialogue in the current era." That is humility which is beloved to the spirit although the light of truth nonetheless remains brilliant. A large number of historians are unanimously agreed that tolerance always has been the prevalent mode in the realms of Islam, although various instances of fanaticism, repression and oppression have occurred over the 1,500 long years of coexistence which have been permeated by periods of peace, war, backwardness, fanaticism and destruction. The word tolerance has been borrowed from a word with a great intellectual source, since it has been derived from the word toleration whose meaning leads to the element of magnanimity on the part of the tolerant and the element of submission on the part of the person with whom he is tolerant, since the basis as far as optimum human coexistence among the members of the single nation is concerned is absolute equality among people, who are the creatures of God on earth without any discrimination among them due to color, race, creed or language. The time may come when the word tolerance will therefore become prevalent with respect to this relationship, which is characterized by freedom, equality and justice in a society dominated by affection and love.

I have thought deeply about what the professor and writer stated concerning some obstacles obstructing the dialogue, and I have found that he gave the subject the positive discussion it merited without belittling the importance of these obstacles or giving them more than they deserve. That is something which requires thanks and appreciation. I find myself compelled to take part in this dialogue, while adding the following points to which I feel it would be beneficial to address oneself at this time specifically.

First, the dialogue, which essentially, among us, is one of the subjects of the two unificationist religions Islam and Christianity, cannot in any case ignore a special situation which the Arabs have experienced since the dawn of Islam; by this I mean the Christian Arab presence which

has enriched coexistence and Arabhood with the services offered by the Christian Arabs, most of whom are the descendants of the Arab tribes which embraced Christianity, and the constructive, sincere contribution they have performed in establishing the single nation among whose areas they have lived these long centuries. I do not intend to praise these numerous achievements, which Arab historians who were Muslims have attested to ahead of others; rather, I beseech God to honor the Arab nation rapidly by bringing it together and unifying its efforts so that we, the people of Arabhood, may sincerely begin considering ourselves a single, integrated, coherent nation all of whose people and parts are equal in rights and duties, with a determination and insistence which will permit us to regain our status in the great human world.

Second, perhaps Western colonialism in some cases was the outcome of the desire to spread the banner of religion, but at other times it was an economic endeavor supported by military force to dominate sources of raw materials and markets consuming the goods colonialism sought to distribute — not to speak of the desires of a large group of people who pretend to religious goals to obtain rapid profit through invasion and the pillage and plunder following that. The best proof of this is the plunder of Christian towns the Crusader campaigns carried out at that time, starting with Constantinople and proceeding through Antioch, both of which were centers of Orthodox patriarchates that were the standard of Christian glory and prosperity for many long centuries. If the situation was not thus, then how can we explain these wars which took place for many years among Christians themselves and among Muslims themselves, the latest of which has been this fierce war between Iran and Iraq? The contradiction between the hidden goals and actions of Western colonialism and the true spirit of Christianity is just the same as the contradiction between the goals and actions of the invasions of the Mongols and the Tatars and the true spirit of Islam, which is distinguished by peace and justice. It will certainly be necessary to carry out a new study on the Christian side and on the part of Moslem scholars and historians alike to probe deeply into these goals, whose proponents claimed that their efforts to realize them were Christian, while the fact is greatly different from that. Exposing the falsity which was used to cover the economic factors in most of these campaigns is a basic duty in this regard, especially since these campaigns imposed great financial burdens on the people who prosecuted them, which they were covetous to recoup many times over through plunder, pillage and monopolization of production and distribution. Therefore, we can say most truthfully and sincerely that the Christian mission was one of the victims of the colonialist invasions in the Orient, which exploited it in their aggressive wars for many years.

Third, the professor and writer did well to mention the Christian point of view relative to proselytization in general, and I am in agreement with him that some

missions were connected to Western colonialism and worked on its behalf. However, it is just and fair for us to mention that a large number of these missions worked with a pure religious motive, advocating affection, aid, benevolence and the desire for worship in the holy countries. Otherwise, how can one explain these missions in our Arab Orient, starting with the 18th century, at a time when the missionaries did not have any real protection, under circumstances where the greatest proselytizer among them could not aspire to turn one Moslem away from his religion, but rather the opposite was true, by the evidence of these many names of well known families derived from the word of guidance and the quest for guidance whose grandfathers were Christians or Jews, then became Muslims? In this area, fairness requires that we mention a truth which perhaps was absent from our minds in discussing this subject, which is the difference between the Christians and the Arabs in Syria (most of whom were people who labored, and still do labor, under the burden of foreign religious dominance embodied in the Greek element which has come from the Greek islands) and the other Christian Arabs, who are of the creed of the Western church, under the sway of the Vatican in Rome, but under local Arab sway in most cases. For the most part, these foreign Western creeds saw a ripe opportunity to draw a large number of the Orthodox, to whom no real religious care was provided, to the ranks of the Western churches, and that is what actually happened, since Orthodoxy lost more than half its followers during the last 200 years through enticement, care and attention. Conversion to Christianity today, which in my view is stronger than proselytization and of deeper effect, might be a problem in some areas of Africa, but I am not thoroughly versed in its circumstances and conditions, and I have not been given the opportunity to review sources that are impartial on its subject. Therefore, I will not undertake the investigation of its subject but will move over to the talk of the day in many circles in our midst, which is the spread of a substantial number of proselytizers of European and American churches which have been known for fanaticism and the desire to spread the word of the Torah, which is the holy book among the Jews. These proselytizers generally succeed in creating chaos in the ranks of the Christian Arabs and turning some of them away from their creeds to the creeds of one of the four churches which these proselytizers set forth to serve. In spite of my numerous requests for information, I have not yet heard about any Moslem who has turned away from his religion because of their appeal, but I have heard about substantial numbers of Orthodox, Catholics, Latins and Protestants who have embraced new beliefs the Christian Arabs in the traditional churches do not believe in. This stage in our country portends a danger which must be remedied because its harm has become clear to Islam and Christianity alike, in view of the connection of these proselytizers' churches to the extremist American fundamentalist appeal. I side with the professor and writer in urging people who hold opinions to enter into serious

dialogue with the objective of eliminating its negative effects and eradicating the causes which allow them this heated activity, which does not bring benefit to anyone.

Fourth, the problem of Israel, in all its circumstances and attendant conditions, constitutes, as far as we Arabs are concerned, a basic problem. Therefore, it is natural, indeed necessary, that it be one of the most important subjects of the Islamic-Christian dialogue, because the Western Christians' role in establishing Israel was of the highest degree of seriousness and effectiveness. I do not imagine that the professor and writer is forgetting the American role in this area, but I think that he has not mentioned it by name, proceeding from the basic notion that modern American civilization is the offspring of European civilization and that therefore in this field it is one element which is working with full coordination on behalf of the common interest. Therefore, I praise the realism which has manifested itself to us recently on the highest Arab levels, and it is my entire hope that success will be our great King Husayn's handmaiden as he performs the effective role which the recent summit of reconciliation and agreement in Amman has assigned to him.

Mention of the positive initiatives in the professor and writer's research in itself is a positive accomplishment. The discussion during the Islamic-Christian dialogue, with thanks to God, became frank and constructive and it will be fruitful, because its basis is proper and firm and because Islam and Christianity share faith in a single omnipotent God and believe in good for all the people of man and all human values, and the thoughtful among them have no choice but to face the challenge which the devout have come to confront in this era. There is no doubt that the dialogue, as the professor said at the end of his research work, will open the road wide to cooperation and coordination among members of the single Arab nation and lovers of the good and peace who follow the other creeds, especially since the issue of the next Islamic-Christian meeting will be "peace and justice."

11887

## KUWAIT

### Official Military Cooperation With Egypt Resumes

44040036b Paris AL-MUSTAQBAL in Arabic  
21 Nov 87 p 10

[Text] After the announcement of resumed Kuwaiti diplomatic relations with Egypt last Saturday, Kuwaiti-Egyptian military cooperation and coordination have begun to take their announced official form. First, it was announced in Kuwait 24 hours later that it had been decided that an Egyptian military delegation would visit Kuwait on an official invitation and would meet with the Kuwaiti defense minister, Shaykh Salim al-Sabah, with most of the leaders of the Kuwaiti army in attendance.

Kuwait News Agency mentioned that the visit of the Egyptian military delegation, headed by Maj Gen Ahmad Hilmi 'Abd-al-Mun'im of the general staff, would take place within the framework of military cooperation and technical coordination between the corresponding agencies in both countries and in light of current conditions faced by the GCC.

Informed Gulf circles have told AL-MUSTAQBAL that Kuwaiti-Egyptian military cooperation has existed for a long time, with Kuwaiti forces making use of Egyptian technical military expertise in missiles and aviation, and that the principal aim behind resumed relations with Egypt by Kuwait and the other Gulf states was to make use of Egyptian military capabilities to strengthen the capabilities of the armies of these countries technically in the military field.

It should be mentioned that the Kuwaiti defense minister had announced in press bulletins in Kuwait that his country would ask an Arab state to help train Kuwaiti personnel in the most modern technologies available to oppose the Iranian Silkworm missiles.

12937

### Fraternal City Agreement Signed With China

44040036c Kuwait AL-QABAS in Arabic 7 Nov 87 p 2

[Text] 'Abd-al-Rahman al-Ghunaym, minister of state for municipal affairs, and the delegation accompanying him returned to the country the morning of the day before yesterday after an official visit to China.

During the visit, Minister al-Ghunaym carried on negotiations with Chinese officials about a number of subjects of mutual interest, and a brotherhood agreement was signed with the city of Qinhuangdao. He also met with Chinese Foreign Minister Wu Xueqian and other officials and explained to them Kuwait's point of view concerning the repeated recent attacks to which Kuwait has been subjected.

He also met with Ye Rutang, the Chinese minister of urban and rural construction and environmental protection. Discussion during the meeting dealt with matters relating to municipal affairs.

Minister al-Ghunaym was accompanied during his visit by a delegation including: Fahd al-Duwayri, member of the Committee on Municipal Affairs; Wasil Mansur, assistant director of health affairs; Engineer 'Abd-al-Rahman al-Da'ij, vice-president of engineers; Mr Hazim al-Nuri, director of the office of the minister of state for municipal affairs; and Fahd al-Raqib, from the Department of Public Relations.

The visit was in response to an official invitation from Ye Rutang, the Chinese minister of urban and rural construction and environmental protection.

12937

**Commercial Expansion Within Spanish Markets Reviewed**

44040029b Paris *AL-MUSTAQBAL* in Arabic  
31 Oct 87 pp 30-31

[Text] Kuwaiti expansion in the Spanish market is taking on a new dimension through the Kuwaiti Investment Office, the only official organization authorized to invest oil revenues abroad. The Kuwaiti expansion in this important market started in 1983 when the Kuwaiti office purchased agricultural property amounting to 10,000 hectares; the following year, the office acquired 30 percent of the (Hatasa) hotel chain. With the entrance of Spain into the European market, and the progress made by the Madrid Stock Exchange in 1986, Kuwaiti interest in this promising market doubled. The investment office directed its activity toward the bank and oil sectors. In September 1986, it acquired 4.9 percent of the capital of the Banco Central, one of the most prominent private Spanish banks. In the same month, it purchased 25 percent of the shares of the Torras company, one of the most important companies specializing in paper production. After 11 months, the office increased its share in Torras to 37 percent of all its shares, thereby transforming Torras into a vehicle for rapid Kuwaiti access to the Spanish market. This expansion stepped up on 24 July of last year when Torras acquired 4.5 percent of the shares of the fifth largest Spanish bank, Banco de Vizcaya, 1.5 percent additional shares in the Banco Central, and 15 percent of the shares of the Spanish petrochemical industrial giant, Rio Tinto, whose activities include oil refining, explosives and fertilizer manufacturing, and mining. However, the Kuwaiti expansion in Spain is arousing fears on the part of some, and has compelled the governor of the Central Bank of Spain, Mariano Rubio, to point to the unconventional methods used by foreigners to control the Spanish banking sector. No sooner had it become clear that the Kuwaiti objective was the Spanish petrochemical sector when, on 27 August 1987, Torras acquired 9 percent of the total shares of (Gro), the second largest Spanish petrochemical giant. After several days, it became known that the Kuwaiti Investment Office effectively controls 47 percent of the capital of Rio Tinto, and at least 24 percent of the capital of (Gro) with the aim of controlling the Spanish petrochemical sector and expanding into the European market. Despite the fears emanating from some quarters, it appears that Madrid views the Kuwaiti expansion with approval and is even encouraging it, because the influx of Kuwaiti capital will tend to strengthen this sector, which continually suffers from financial difficulties as well as from the decline in fertilizer imports.

13286

**New Law Permits Government To Borrow Money**

44040029a London *AL-HAWADITH* in Arabic  
16 Oct 87 p 43

[Text] The law recently passed by the Kuwaiti parliament, which allows the government to borrow the sum of

1.4 billion Kuwaiti dinars, has provoked different explanations in Kuwaiti banking circles. In spite of general acceptance of the remarks by the Minister of Finance, Jasim Muhammad al-Kharafi—who stated that the government approved the loan from the local market because of its desire not to touch the state's general reserves—some observers believe that the law's basic objective is to fix a higher official ceiling on loans in preparation for implementation of the loan policy.

It should be noted that the above-mentioned law permits the government for the first time to borrow locally to cover the budget deficit. Minister al-Kharafi stated that this law allows borrowing through the issuing of treasury bonds and bearer debentures, and direct local loans in Kuwaiti dinars "according to need and the monetary situation" in the financial market.

13286

**LEBANON**

**Islamic Resistance Carries Out Large-Scale Military Operations**

**'Lebanese Bar-Lev' Shattered**

44040046 Beirut *AL-AHD* in Arabic 7 Nov 87 pp 1, 15

[Article: "Islamic Resistance Brings Down New Fortifications on the Anniversary of the Prophet's Birthday; Freedom Fighters Invade Bra'shit, Destroy Site after Killing Personnel; Site Occupied for 2 Hours; Munitions, Weapons Captured; Enemy Support Force Extirpated"]

[Text] "The Islamic Resistance is the liberated areas' armor and the long arm for its liberation."

That statement was made in last week's editorial commenting on the operation to repel the Israeli attack. A series of incidents since then have strongly confirmed its validity.

After their heroic repulsion of the attempt to advance to al-Luwayzah, freedom fighters in the Islamic Resistance brought the attempt to advance into eastern Zawtar to a standstill.

An Israeli force of 100 commandos armed with rockets and machine guns equipped with silencers tried to penetrate the town to carry out a subversive act and distribute threatening literature in it. However, constant vigilance foiled that penetration attempt and caused the enemy to suffer losses: the dead and wounded were left behind, and the ammunition, weapons and undistributed literature were also left behind.

So far the Islamic Resistance has been extremely efficient in its efforts to fortify the liberated areas and protect the masses who reside in them.

But on Monday night—Tuesday eve—Islamic Resistance freedom fighters launched a surprise attack which later seemed to be a trial engagement.

The destructive attack on the Bra'shit site was the most violent attack since the major operation at Badr. Islamic Resistance freedom fighters managed to seize and destroy the site after killing all those who had been staffing it.

This attack follows Israel's announcement that it had completed construction on a new line of fortifications in the so-called "security zone." Israeli officials said that since constructing the Bar-Lev line on the western bank of the Nile River, no such fortifications had been built.

A report that was broadcast on 27 Oct 1987 by the enemy's army radio broadcast stated that construction of that line of fortifications was intended to build "a series of fortified positions which will provide the capability for staying in the zone for a long period of time. These fortified positions will also provide soldiers in that zone with better protection. Some of these positions are occupied by Israeli soldiers, and others are occupied by soldiers in the army of southern Lebanon."

The success scored by the Islamic Resistance when it seized the Bra'shit position and killed all those who had been staffing it showed the failure of the "Lebanese Bar-Lev Line" to provide better protection for the soldiers who were stationed there. "The Lebanese Bar-Lev line" will, of course, fail to provide "the capability for staying in the zone for a long period of time."

Only three freedom fighters were wounded, but the enemy suffered heavy casualties. That fact alone reveals that Islamic Resistance actions have been changed so that the high cost of resistance operations can be avoided.

The Islamic Resistance has thus asserted itself not only as the liberated areas' armor, but also as its long arm for liberation.

#### Details of the Operation

At dawn last Wednesday Islamic Resistance freedom fighters stormed the position of the enemy and his clients in Bra'shit. In a matter of minutes they managed to gain control of the site after killing all position staffers. They blew up all entrenchments and fortifications at the site and destroyed a tank, a half-track, and a military jeep. The freedom fighters remained at the site for over 2 hours. They withdrew after that, taking with them a large amount of weapons and ammunition. At the same time the Islamic Resistance's artillery was shelling the Haddathah and Bayt Yahun positions, preventing soldiers there from interfering and providing support for the position that was under attack.

Details of the operation indicate that groups of freedom fighters from the company of the late leader, Samir Matut advanced toward the enemy's position in Tallat Bra'shit and formed a tight siege around it. The company in which those freedom fighters served is part of the regiment of the blessed Imam al-Mahdi, and that regiment is in the Liberation of Jerusalem Division. At precisely 12:10 a.m. orders to launch the attack were issued from the operations room. One of the groups of Muslim freedom fighters had already slipped into the site.

The valiant Muslims immediately fired their machine guns and rocket launchers at position staffers who had been hiding behind the entrenchment. They exclaimed, "O, messenger of God! O, messenger of God! O, messenger of God!" as they fired their weapons.

At the same time other groups were scaling the bunkers and using their machine guns to comb through the entrenchment. They used hand grenades to clear away the site, and they engaged the enemy in a vicious battle which lasted approximately 10 minutes. The sounds and screams of the enemy's agents could be heard during that battle.

The Muslim freedom fighters managed to gain control of the site after that. Then they used their hand grenades and machine guns to clear away all the chambers, trenches, and tunnels which are located at the site in the middle of widespread mud ponds and swamps.

As they exclaimed, "Allahu Akbar," [God is great] and "O Mahdi, stay with us," the freedom fighters tightened their control over the site after all its fortifications and entrenchments collapsed. Approximately 15 persons who had been staffing the site were killed. The freedom fighters then destroyed a T-53 tank, an M-113 half-track, and a Wales military jeep. These vehicles had been stuck in the mud at the site.

At the same time an artillery unit in the Islamic Resistance was shelling the neighboring positions at Haddathah and Bayt Yahun. The unit was scoring direct hits on its targets. The two sites were completely immobilized and prevented from offering assistance to the Bra'shit site, the target of the attack.

But in a desperate attempt to save the destroyed site, the Zionist enemy and his agents sent motorized backup equipment to the site. This equipment consisted of a tank and an M-113 half-track. While these vehicles were on their way to the site, they were attacked in an ambush set for them by Islamic Resistance freedom fighters who fired their machine guns and rockets at those vehicles, destroying them and killing and wounding all members of their crew, about 15 persons.

After staying at the site for approximately 2 hours, the freedom fighters withdrew, taking with them two 500 [rpm] machine guns, four Browning machine guns, one

MAG machine gun, one 52 millimeter Commandos mortar gun, three wireless BRC radios, and a quantity of ammunition and military munitions.

At 6 a.m. forces loyal to the enemy advanced toward the site, but as soon as they arrived, they were showered with mortar shells fired by the Islamic Resistance's artillery unit. The shelling caused a number of casualties and injuries among those forces.

The enemy tried to conceal his defeat. As usual, he shelled the villages of Tibnin, Bra'shit and Shaqra with heavy artillery. As a result of this shelling some citizens were wounded, and there was some property damage also.

Agent Lahad's radio broadcast, the so-called Voice of Hope, acknowledged the attack and stated that the "Bra'shit position had been subjected to heavy attack by Hizballah groups."

### Battle Plan Explained

44040046 Beirut AL-AHD in Arabic 7 Nov 87 p 7

[Interview with an unidentified official of the Islamic Resistance Movement and a wounded, unidentified freedom fighter: "An Official in the Islamic Resistance Explains Site Fortifications and Details of the Attack;" date and place of interview not specified]

[Text] AL-AHD interviewed an official in the Islamic Resistance to shed light on the quality operation which was carried out by the Islamic Resistance in Bra'shit against the position of Lahad's followers, who are the enemy's agents. As a result of that operation, the site fell to the freedom fighters who then destroyed it. AL-AHD asked the Islamic Resistance official about the strategic importance of the position that was held by the enemy's agents in Bra'shit and the fortifications and entrenchments which had been built there by the enemies.

The official replied, "In the name of God, the Merciful, the Compassionate. First of all, I have to make it clear that as members of the Islamic Resistance we believe that we must act before we speak; we believe that our actions must always speak louder than our words. We have no desire to talk about our accomplishments because we seek God by our actions, and we do what we do to please Him. Our actions are based on the fact that we are legitimately entrusted with the task of showing the nation the importance of actions which are carried out by Islamic Resistance freedom fighters. We are also entrusted with the task of informing the nation about those instances when the enemy has been defeated. We do this to show the people how weak and feeble the enemy is when faced with strikes carried out by faithful freedom fighters.

"In addition, our goal is to attack all the enemy's positions. We want to reach the holy city of Jerusalem by destroying those positions, by striking the strongest blows against the Zionist enemy and his agents, and by defeating them many times.

"To us the Bra'shit position is as important as the enemy's other positions, which are scattered along the outskirts of the so-called 'security zone' and within it. That position, which is held by Lahad's followers, the enemy's agents, overlooks the towns of Bra'shit, Shaqra, and Tibnin. From that position the enemy's agents shoot at innocent people and shell the innocent residents of those towns.

"For the enemy the strategic importance of that position is derived from the fact that it is an advance protective point for the 17th Barracks in Bint Jubayl, which is considered a point where the enemy assembles and launches his forces. In addition, the Barracks also provides support and reinforcement for the enemy's two positions in Bayt Yahun and Haddathah. It is also the first line of defense for the enemy's rear positions in 'Aynata, Blida, Muhaybib, and 'Aytarun, since it is no more than four kilometers away, in the line of fire, from the borders of occupied Palestine.

"As far as site fortifications are concerned, the Zionist enemy had refortified the site after last year's attack by the Islamic Resistance. The enemy had also introduced some fortifications after the major operation at Badr. That was part of his plan to fortify his positions in all areas of south Lebanon, and that plan was described as the enemy's largest fortification operation since construction of the Bar-Lev Line.

"The area of the Bra'shit site, which is approximately 1,500 square meters, is surrounded by a dirt bunker that is between 3 and 5 meters high. There is barbed wire on the back side of this bunker in addition to four entrenchments visible above the bunker and four others hidden inside. Each entrenchment is provided with an emplacement for a 12.7 millimeter machine gun, a MAG machine gun, and field binoculars. The site's entrenchments are connected to each other by tunnels which had been dug at the site.

"The container at the site consists of two chambers which are used by staffers as sleeping quarters. The enemy dug tunnels underneath those sleeping quarters where his agents can hide when they are attacked or are being shelled by the Resistance.

"The enemy had reinforced the site with his modern T-53 tanks. In addition, the enemy had one semi-track-laying vehicle, an M-113 armored vehicle, a Wales landrover, floodlights fixed on the vehicles, a 120-millimeter gun, a 60-millimeter gun, and a 52-millimeter Commandos gun to reinforce the site, which had been staffed by between 10 and 15 agents.

"Dissatisfied with these internal fortifications, the enemy placed barbed wire outside the position. The barbed wire was fastened and fixed immediately underneath the bunker, and more barbed wire after that was fastened and fixed to the ground with small pins, not higher than the span of a human hand. Resistance fighters would find it difficult to see this barbed wire as they attacked the site. They would stumble across it, fall, and then be discovered by the guards. There are three rings of such barbed wire after that in addition to three rings of large barbed wire."

[Question] Can you explain the offensive operation to us, and can you tell us how the site was attacked?

[Answer] The outcome of fellow fighters' efforts in painstaking reconnaissance activities was identical to the actual situation at the site. With assistance from God Almighty a military plan to attack the site was drawn up and carried out. And with God's protection and support the attack succeeded. The freedom fighters managed to get inside the site; then they opened fire on site staffers and hurled hand grenades at them. A battle was fought inside the site. At the same time fellow fighters outside the site were shelling the entrenchment; they were engaging it [in an exchange of fire], and they were destroying it. That confused and dumbfounded the enemies, and in less than 10 minutes fellow fighters were able to seize the site. After the site fell, the freedom fighters combed through its chambers, trenches, and tunnels. They gained total control over the site where they stayed for over 2 hours. During that time they moved weapons out of the site and destroyed the machinery as well as the contents of the site.

#### Outside Their Area of Presence

[Question] After the major operation at Badr which was carried out by the Islamic Resistance in the area of Jazzin, some Zionist military officials declared the operation had occurred outside the area of their presence and was, therefore, of no concern to them. They said, "The Resistance is no longer capable of launching attacks in the area that we control." How would you react to that in the aftermath of the attack on the Bra'shit site?

[Answer] First of all, we have to make it clear that allegations by enemy officials that they have nothing to do with the area of Jazzin are not true. What they have been saying after the major operation at Badr is [an attempt] to conceal their own failure and the defeat they suffered along with their clients. The Bra'shit operation and the destruction of the site there is the best response to the enemy's allegation that the Resistance is no longer capable of launching attacks in the area of their presence. The Bra'shit site is no more than four kilometers away from the borders with occupied Palestine, and that indicates that their allegations are false. In the Islamic Resistance we pay no attention to such statements and allegations. We've said this before, and we will say it again: no matter what happens our objective is clear. We

will fight Israel wherever we can find it. We will fight world-wide arrogance until we achieve one of two rewards: victory or martyrdom.

[Question] A few weeks ago the enemy announced the completion of onestage in the efforts that are being made to fortify his positions in the occupied region in south Lebanon. And yet, the Bra'shit site fell to the Islamic Resistance. Do you have something to say to comment on that?

[Answer] To us, fighting is not something that can be measured by military capabilities. Our fight against the enemy is characterized by a high level of spirituality, by faith, trust and confidence in God Almighty, and by persistence in pursuing the course of the Islamic message. Therefore, despite the fortifications we expect to encounter—and these may be stronger than the ones that are already in place—the Islamic Resistance continues to fight against the enemy and his agents who will gain nothing with their tanks, airplanes, and fortifications because they have been defeated psychologically.

The Bra'shit operation has discredited all the enemy's allegations and destroyed the illusions which had been based on the new fortifications. It proved the Resistance has the ability to penetrate those fortifications and discredit the theory of Israeli security in the occupied region.

[Question] Do you expect a Zionist reaction to this operation?

[Answer] We think that the Zionist enemy has taken this crushing blow in the same way he took such blows previously when he was unable to retaliate. We must be alert, however, and we must realize that our enemy is treacherous. We must be cautious and vigilant about all his plans.

#### An Interview with a Wounded Man

We interviewed a fellow freedom fighter who had been slightly wounded in the attack on the position at Bra'shit.

[Question] What do you remember about the operation?

[Answer] We entered the site at approximately 2:30 a.m. after midnight and after the call, "O messenger of God, Allahu Akbar" [God is great], was sounded. We didn't fire a single shot, and in one minute and a half we were inside and above the bunkers. One agent saw us and fired five rounds, but a fellow fighter hurled a hand grenade at him, and that killed him. Then we started mopping up the entrenchment and the tunnels.

While this was going on, one agent jumped on the half-track and started to fire. I distracted him by firing at him sporadically until a fellow fighter got himself to the top of the bunker and threw a hand grenade at him. He died instantly.

[Question] How were you wounded?

[Answer] It happened while I was taking part in the mopping-up operation. To be specific, it happened while I was distracting that agent who was firing shots from the top of the half-track. When I fired at him, he threw a hand grenade at me, and that grenade hit the handle of my weapon, [bounced off], and fell approximately five meters away. I was slightly wounded in the shoulder when the grenade exploded, but my injury did not prevent me from carrying on. I stayed in the site for two hours.

[Question] What did you do during those two hours after you gained control over the site?

[Answer] We combed through the tunnels that link the entrenchments with each other, then we destroyed them completely. A fellow fighter moved the half-track for about 10 meters, but the vehicle would not move after that. So it was blown up along with a tank and a jeep. Fellow fighters gathered the ammunition and the booty that was at the site. After gaining total control over the site, I saw three bodies in the center and I also saw another on the half-track. Five people were killed inside the entrenchment. We had heard their cries for help before establishing total control over the site, and we were able to make out a few names, like Ahmad, Mahmud, and 'Abdallah.

#### **"If You Again Transgress, You Shall Again Be Scourged"**

One freedom fighter insisted before the operation on carrying a sign on which this verse from the Holy Koran was written: "If you again transgress, you shall again be scourged. We have made Hell a prison-house for the unbelievers" [al-Isra': 8].

When he wasn't able to do that, he wrote the verse on a piece of cardboard after we finished mopping up the site.

#### **The Blackout**

Although a television station did devote approximately two hours of broadcast time to a press conference by Elie Hubayqah, the hero of the Sabra and Shatila massacres, television station officials did not devote more than a few minutes of broadcast time to report news about the Islamic Resistance operation and show pictures of its fighters in action.

Sources within the Islamic Resistance's information agency told us that an official in the media had personally interfered to determine "what ought to be and ought not to be shown." That was the reason why viewers were denied the opportunity to see moving scenes [of Resistance fighters in action].

It has also been noticed that coverage was very slim. Attempts were made to misrepresent and falsify the name of the Islamic Resistance, but none of these attempts succeeded.

#### **Operations Answer Arab Summit**

44040046 Beirut AL-'AHD in Arabic 14 Nov 87 pp 1, 8

[Article: "The Islamic Resistance Observed the Birthday of the Prophet in Its Own Way: It Stormed the Bra'shit Site and Shelled 18 of the Agents' Positions at Once"]

[Text] While Gulf Arabs were conspiring at their conference in Amman to reach an agreement about fighting Islam in the region and setting a siege around the Islamic Republic so they can carry out the wishes and commands of arrogant Americans, Islamic Resistance freedom fighters were retaliating. They were enflaming the southern front by engaging the Zionist enemy and his agents in broad and fierce confrontations which were described by one local newspaper as "the largest confrontations with the enemy since the Resistance came into being."

In one fell swoop the freedom fighters launched a broad attack on 18 of the positions held by the enemy and his agents. They shelled those positions with heavy artillery, igniting thereby the fires of war on the southern front for the first time and inflicting heavy losses on the enemy's ranks and the ranks of his agents. The freedom fighters' operations destroyed some fortifications and machines, and an ammunition depot near the Miskaf 'Amm Camp was blown up. At the same time helicopters and ambulances rushed to the sites to evacuate the dead and wounded. After these successful blows were dealt to them, the enemy's forces tried to advance toward the town of Kafr Tibnin, but the freedom fighters opposed them and inflicted heavy losses on them. The enemy acknowledged the loss of one soldier during the confrontation. In the western al-Biqa' Islamic Resistance groups launched a surprise attack on the Kafr Hunah Triangle. They shelled the al-Ahmadiyah site with rockets, but they do not know the extent of the enemy's losses there.

The Islamic Resistance issued a statement about the broad attack it launched all along the southern front last Sunday morning. It mentioned the following in that statement:

"Make war on them: Allah will chastise them through you and humble them. He will grant you victory over them and heal the spirit of the faithful" [al-Tawbah: 14]. God Almighty spoke the truth.

"In the name of God Who can bring tyrants to their knees: there is no power and no strength save in God, O messenger of God. On the blessed anniversary of your birthday, O messenger of God, the anniversary of your glorious birth unto this world among all its creatures is a sign of mercy; it brings good tidings and reassurance to believers' hearts. O messenger of God, these are your children and grandchildren: the members of the Islamic

Resistance. There they are on Mount 'Amil fighting the most splendid battles and carrying out heroic actions. They rise to their feet, their drawn weapons firmly held in their hands by the power of faith, and they resist the Zionist enemy and his henchmen, teaching them one lesson after the other. They tell the Zionists and their agents that their occupation of this land will not last long. They tell them that their positions and strongholds which they thought would keep freedom fighters away will prove of no avail and will vanish and cease to exist.

"My lord, messenger of God: this is the Islamic Resistance, the crowning glory of our legacy in Karbala'. Our resistance has been striking the enemy and his agents in Bara'shit, in Bayt Yahun, in Haddathah and in all the positions they hold in the occupied region. At the same time the Arabs' rulers, today's Arabs who worship Reagan and do his dirty work, are once again showing their propensity to dissemble. They are falling all over each other in their eagerness to meet at this conference of ignorance in Amman and carry out the orders of their masters in 'the Black House'. These Arabs have been ordered to oppose Islam whose black banners are advancing from radiant Iran on to the holy city of Jerusalem to fly a banner proclaiming 'There is no God but Allah.' That banner will be flown over the dome of al-Aqsa Mosque which yearns for freedom.

"In the second stage of the Muhammad, Messenger of God operations, Islamic Resistance freedom fighters joined forces at the early hours of dawn; it was precisely 1:30 a.m. As the call for the messenger of God was sounded, they joined forces in the largest confrontation they ever had in south Lebanon's occupied region against the Zionist enemy and his agents. The battalions of Imam al-Husayn, Imam al-Sadiq, Imam al-Mahdi, and Imam al-Hasan, may God's peace be with them—these battalions are from the brigade of Imam 'Ali, may God's peace be with him, and that brigade is in the Liberation of Jerusalem Division—these battalions attacked the enemy's positions. They started by attacking the new Rashaf center and continued their attack to (Tallah al-Radar) near Jazzin. They used all kinds of machine guns, artillery and rockets in carrying out the attack.

"This battle was fought for two consecutive hours in the following manner:

"First, valiant Muslims attacked the following positions with medium and heavy machine guns and rockets:

"1. The Rashaf position. This is a new position created by the Zionist enemy after his flight from Tallah al-Huqban and Tallah al-Khazzan. This is the first time that position was attacked since it was created.

"2. The Bra'shit position was blown up by valiant Muslims. That operation was part of the series of operations dubbed Muhammad, the messenger of God. The positions at Haddatha and Bayt Yahun were also attacked.

"3. The positions at al-Suwayda', Sajad, Bi'r Kilab, and al-Radar.

"Islamic freedom fighters managed to hit each one of these positions, inflicting losses upon the enemy's ranks and upon his installations and fortifications.

"Second, the following positions are those which were shelled and fired upon by artillery and rocket firing units in the Islamic Resistance:

"1. Rashaf, Haddathah, Bra'shit, Bayt Yahun, the 17th Barracks in Bint Jubayl, Jabal Hamid, Tallah al-'Ibad near al-Taybah, al-Qantarah, al-Taybah Project, 'Alman, al-Shumariyah, Qal'ah al-Shaqif, Tallah al-Suwayda', al-Dabashah, 'Ali al-Tahir, Sajad, Bi'r Kilab, Tallah al-Radar, (Mubasaliya), and al-Tahrab.

"Valiant Muslims in the artillery and rocket firing units managed to score direct hits on the enemy's targeted positions. Consequently, some fortifications and machinery were destroyed, and an ammunition depot deep inside the occupied region near the Miskaf 'Amm Camp in occupied Palestine was blown up. For over one hour the flames from that site were visible with the naked eye from far away in the south. At the same time the Zionists' helicopters were hovering over the site as fire trucks rushed to the place and ambulances transported the dead and wounded.

"During the battle which lasted over two hours the Zionists' military airplanes flew over south Lebanon, carrying out phantom raids as they dropped a number of flare bombs over their positions in al-Nabatiyyah and Jazzin. Meanwhile the enemy's artillery shelled the outskirts of al-Nabatiyyah and a few villages in it.

"The Islamic Resistance, which is engaged in the fiercest confrontations and battles with the Zionist enemy and his agents in this series of operations which have been dubbed Muhammad the Messenger of God operations, is warning all dissembling Arabs assembled at their conspiratorial conference in Amman that all their plans to confront the Islamic Revolution in Iran are doomed to failure. It is warning them that their cardboard thrones will crumble and fall under the fists of Arab Muslims who are true believers."

The statement promised our people in Jabal 'Amil that the Islamic Resistance would continue to serve as their protective armor against all Zionists and their agent, Lahad. The statement said that from now on the Islamic Resistance would not allow the Zionists and their agents to hurt innocent people "in our villages and cities in south Lebanon. The Islamic Resistance will oppose the enemies with methods and weapons that they have not been accustomed to, and, even if it were to lose 1,000 persons, it will continue its opposition until all the occupied land is liberated. Tomorrow will come soon enough."

As a result of the fact that artillery units in the Islamic Resistance shelled enemy positions in south Lebanon's occupied region, a Mirkava tank was hit at the Bra'shit site. After it caught fire, area residents saw it ablaze, and the Zionist enemy tried to have it withdrawn from the site.

After the Islamic Resistance freedom fighters carried out their successful blows, which were part of the series of operations that were called the first and second Muhammad the Messenger of God operations, an infantry force from agent Lahad's militia tried to advance toward the outskirts of Kafr Tibnit to raise the agents' sagging morale after valiant Muslims had scored a victory with their attack on enemy positions at dawn today. The town of Kafr Tibnit is in the dam area, which is near the crossing leading to the border strip in the town. But Islamic Resistance freedom fighters opposed them, engaging them in combat with machine guns and rockets and forcing them to withdraw after causing several deaths and injuries within agent Lahad's ranks.

To avenge their defeat the Zionists' agents shelled the town of Kafr Tibnit after the confrontation. One person in the town was wounded as a result of the shelling. Agent Lahad's radio broadcast, the so-called Voice of Hope, acknowledged the operation in its news bulletin at noon today. It mentioned that one of its patrols had been hit by rockets and had come under heavy fire from machine guns that were being fired from the outskirts of the town of Kafr Tibnit. The news bulletin mentioned that two members of the patrol had been wounded, but no other details were given. At the same time a Zionist military spokesman admitted that the operation had occurred and that an Israeli soldier who had been on that patrol had been killed.

The Islamic Resistance also issued a statement about its operations in the western al-Biq'a' in which it stated [the following]:

"As part of the Muhammad the messenger of God Operations, Islamic Resistance freedom fighters in artillery and rocket firing units shelled al-Rayhan Barracks when the call to the messenger of God was sounded. Al-Rayhan Barracks, which is subordinate to Lahad in the western al-Biq'a', was hit on Sunday afternoon by rockets and mortar shells. According to eyewitnesses, three armored personnel carriers were destroyed and a large number of agents who happen to be Lahad's followers were killed and wounded.

"At 2:30 a.m., very early Monday morning, the late Bassam 'Abbas and the late Khalil Yasin groups of the Islamic Resistance launched a surprise attack on the Kafr Hunah-'Aramta Triangle when the call to the messenger of God was sounded. They struck the agents, Lahad's followers. It was a heavy and painful blow that led to the death of a large number of position staffers. But the number of casualties could not be determined because the battle had been fierce and the shelling from

the Islamic Resistance's artillery had been heavy and intense. The Islamic Resistance's artillery fired its guns against the following positions held by Zionists and Lahad's followers:

"The Kafr Hunah-'Aramti Triangle position, and the al-Rayhan Barracks as well.

"Third, Israel's al-Ahmadiyah position was shelled by the Islamic Resistance's artillery. All positions were hit by rockets, and that created a state of hysteria and terror among the ranks of Zionists and their agents.

"To confirm their defeat the area which is located inside the confrontation lines was subjected to arbitrary shelling by the Zionist enemy. The skies over the region were full of helicopters which landed at the sites which had been targeted to remove the dead and wounded. A state of tension prevailed in the area for the entire day, and people were being called upon to fight.

The Islamic Resistance promised the messenger of God, the nation's imam, and the imam's nation that it will continue to do what is right, using only its gun to respond. A steady stream of martyrs will bring about victory.

08592

#### Parliamentarian Predicts Grim Future

44000023 Beirut MONDAY MORNING in English  
30 Nov-6 Dec 87 pp 18-19

[Interview of MP Nazem Kadri]

[Text] "President Gemayel did not ask me to form a new cabinet, and did not propose this issue to me directly," declared MP Nazem Kadri, noting that appointment to form a cabinet is something, and the discussion of this issue is something else. He stressed the importance of tackling the problem and of reaching an understanding of the future, before accepting the appointment.

Kadri, MP for the Bekaa constituency, told MONDAY MORNING that there should be an outlet from this situation through simple or relative solutions in a bid to rescue the nation.

In a reference to the camp war, Kadri described it as a result of complex, old and numerous causes. The current proposals are a sort of tranquilizer," he said and the adequate solution is the one that guarantees unity of the Palestinians and their gathering through a unified policy to confront all attacks against them.

He noted that there are efforts to reach a common denominator between Syria and the Palestinian factions to solve the camp war. Once the vision between the

Palestinians and Syria is clarified, the issue will be solved. Agreement must be reached among all the Arabs to find a solution and to guarantee the Palestinian legitimate rights, he said.

President Gemayel's speech did not intend to internationalize the Lebanese crisis, said Kadri. It meant that there were Arab and international efforts, including American and Syrian efforts, since Syria is entrusted by the Arab League to solve this problem. Most of the Arab states believe that no solution can be achieved without Syria's approval and mediation. He described Syria as playing the role of a mediator among the Lebanese people.

Evaluating the resolutions of the extraordinary Arab summit, Kadri said what is important is not the issuing of resolutions, but their implementation. He voiced hope that these resolutions will be put into practice. The resolutions on Lebanon were not frank, but certain Arab leaders pledged to follow up efforts to reach a settlement to the Lebanese problem.

Kadri pointed out that Lebanon was witnessing an abnormal situation, and this should be confronted with extraordinary measures that will tackle social and economic conditions. He described Lebanon's future as very dark.

Here is the translation of the interview, which was conducted in Arabic:

Question: It was reported that President Amin Gemayel has asked you about the possibility of forming a new cabinet, and that you refused. Is that true?

Answer: In order to clarify this important point, I declare that President Gemayel did not ask me to form a cabinet, and did not propose this matter to me directly.

Question: Were you not asked about this issue indirectly?

Answer: This issue has been proposed, and is now under discussion, but appointment is something, and the discussion of this issue is something else.

Question: Since this issue is being discussed, are you willing to accept it?

Answer: When the issue becomes serious and is proposed to me or to someone else, there should be an understanding of the future and of the causes that should be tackled. Once there is agreement on this, I do not think anyone will refrain from accepting this appointment. What is important is the official appointment, on one side, and the understanding and agreement on the future, on the other wide.

Question: Would you accept this appointment, in case agreement and understanding are reached on the future and on ways to tackle the situation?

Answer: I do not think any nationalist would reject shouldering this responsibility, provided there is a clear vision. Everybody knows that the situation in the country is now disintegrated. There should be an outlet from this situation through simple or relative solutions, and efforts should be exerted to release the burdens of the Lebanese people.

Question: All solutions to the camp war are futile and seems to be tranquilizers. What are the causes and how can we put an end to this war?

Answer: The camp issue is complex, its causes are many, dating back to the period prior to the Israeli invasion and after the Israeli withdrawal. This war has its own regional and international links, thus resolving these complexities is very difficult. All that is taking place so far is a sort of tranquilizer. I believe efforts are under way on the regional and international levels to resolve this issue and to find the adequate solution that will guarantee the Palestinians' unity of ranks and policy to confront attacks against them. I also believe that outside contacts among those concerned with this issue have advanced tremendously. We hope they will render positive results for the best interest of the Palestinians, which will partially reflect on the Lebanese situation.

Question: Do you mean that there is a Palestinian-Syrian discussion to solve the camp problem in Lebanon?

Answer: Definitely there are efforts to find common denominators between Syria and the Palestinian factions. Whenever the vision between the Palestinian and the Syrians is unified, the issue will be solved. The Palestinian issue as a whole has its own difficulties because the Palestinians and the Arabs are facing a brutal enemy who has usurped Palestine and established a state on its territory. All this requires agreement among all the Arabs in a bid to find the solution that will guarantee the legitimate rights of the Palestinian people.

Question: What is your viewpoint regarding President Gemayel's statement in which he said that the solution to our crisis is an Arab and international solution. Does this mean that this is a return to the internationalization of the Lebanese crisis?

Answer: I was not briefed on President Gemayel's speech, but the question as it was posed to me did not mean that President Gemayel intends to internationalize the Lebanese crisis. What he meant is that there are Arab and international efforts. There are American and Syrian efforts, because Syria is concerned with the Lebanese situation, and the Arab League has entrusted Syria with solving this problem on behalf of the Arab states during the Arab summit conference. Most of the foreign countries believe that no solution can be achieved without the

approval and mediation of Syria. Therefore all Arab and international efforts are exerted to bring closer the various viewpoints on one side, and to achieve a settlement for the Lebanese crisis, that will form the guidelines of inter-Lebanese accord. The United States has already announced that it was discussing with Syria issues related to the region, whether with respect to the Gulf War, the Palestinian and Lebanese issues. The Soviet Union also is currently discussing this topic. What President Gemayel meant was that there are international efforts whether by the Soviet Union or the United States, while Syria is concerned with solving the Lebanese crisis and is playing the role of the mediator between the Lebanese. I believe that President Gemayel meant this point in particular.

Question: What is your evaluation of the resolutions of the extraordinary Arab summit that was held in Amman?

Answer: The resolutions issued after the summit conference had a positive impact on all the Arab countries or on most of the Arab countries, and were supported by many international sides including the superpowers and Europe. What is important is not issuing resolutions but implementing them. I hope that the resolutions and measures agreed upon during this summit will be put into practice, because this is the first time that the Arab leaders agreed on adopting a wise and pan-Arab national policy to confront the difficult problems which confront certain Arab states, such as the Palestinian issues and the Gulf War. As far as Lebanon is concerned, the resolutions were not frank. It was later announced that some of the leaders who attended the summit pledged to follow up efforts to tackle the Lebanese crisis, and to find a settlement to the Lebanese problem.

Question: What is your viewpoint regarding the proposal calling for a permission to buy foreign currency, and which proposes the establishment of a national committee for the currency, to resolve the economic situation?

Answer: I don't understand economic affairs, but as a citizen and an MP I declare that Lebanon is witnessing an abnormal situation and its crisis is leading to disintegration on the political and daily-living levels. This abnormal situation should be confronted with extraordinary measures. I support extraordinary measures that will tackle our economic and social conditions. Economic and social experts should set projects to allow Parliament and other economic and social experts to study it thoroughly, taking into consideration that every extraordinary situation requires an extraordinary treatment. As an example we mention the rent law which deals with residential conditions. This law was approved in 1939 and after 48 years it is still extraordinary, because the rent problem is still unresolved. This is why the extraordinary law still persists.

Question: The political deadlock the country is facing is similar to that prevailing before the Israeli invasion. What is your concept in this respect?

Answer: We face in our country a crisis of men, and a total political and national impotence. There is no man on the level of nationalism capable of tackling the present crisis. I don't want to go into detail because this question requires the presence of a national political command that is concerned with tackling this situation. But amidst the total absence of the national authority and of good and constructive initiatives, the future of Lebanon seems to be very dark, and nothing can be seen but obscurity.

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## LIBYA

### Preventive Measures Against AIDS

38255c Tripoli JANA in English  
1825 GMT 29 Dec 87 LD

[Text] Tripoli, al-Kanun [December—FBIS] 29, JAMA-HIRIYA NEWS AGENCY—AIDS represents a serious threat to health security of the human societies which forced many countries of the world to take preventive measures to stop and prevent this disease from spreading by way of immigration and movement of peoples from a country to another. Great Jamahiriya's concern for public health of the Libyan Arab society led it to provide the utmost securities in this respect. Practical measures had been taken where persons' entry into the Libyan Arab territories has become conditional to the availability of certificates proving that the persons concerned are free from AIDS. That is in accordance with a resolution reached by the General People's Committee in this respect.

## MOROCCO

### Justice Ministry Issues Pardons

485d Rabat Domestic Service in Arabic  
2000 GMT 10 Jan 88 LD

[Text] The Ministry of Justice has issued the following statement: Our master, His Majesty, may God protect him, has issued an order on the occasion of the anniversary of demanding independence, the immortal 11 January, to grant pardons for the remainder of imprisonment and the detention sentences of 254 prisoners; to lower the prison sentences and detention of 44 prisoners; to grant pardon on the whole or remainder of sentences but sustaining the fines of 15 people; and to commute the life imprisonment sentences of 5 prisoners to fixed terms.

## SAUDI ARABIA

**Writer Depicts Western Civilization as Evil,  
Enslaving**

**Manifestations Of Western Decadence Discussed**  
44040057 *Riyadh AL-DA'WAH in Arabic*  
23 Nov 87 pp 20-21

[Article by Dr 'Abd-al-Halim 'Uways: "The Scourings of European Civilization and Us"]

[Text] In speaking and writing about European civilization, we Muslims often state that this civilization whose salutary and detrimental effects reach all corners of the world is a tyrannical, unfair civilization that has no interest in man, a creature whose higher aspirations, spiritual tendencies and inherent value require that his basic needs be met. Man's basic needs guarantee him dignity and self-respect.

It is a fact that we neither exaggerate nor encroach upon Europeans when we make such statements. Nor do we act as mere preachers or public speakers do, justifying our nation's inability to offer a cultural alternative for humanity that could lead to a path which is righteous and honorable. That is certainly not the case. We are being quite truthful when we describe European civilization as tyrannical and unfair to mankind. We speak the truth when we say that European civilization is selfish and does not care for man—white man is the exception to that. We speak the truth when we say that European civilization spends more money for destruction than it does for construction; that it leaves whole nations in dire need for digging wells, building canals, providing seeds for farming or machinery for tilling and cultivating the soil as well as for factories. We speak the truth when we say that European civilization sets all those needs aside and spends billions (not millions) for destructive weapons, for destructive recreation, and for the moral and material corruption and defilement of human life.

When we make such a statement, we are by no means trying to justify the situation that exists in our ailing nation. We are not satisfied with that situation, nor do we believe that our nation's interests are somehow served by the material and moral corruption which exists in Europe, the United States, the Soviet Union, and the communist bloc countries, the most famous bastions of European civilization in the West and East. Quite the contrary. We believe that the effects of European corruption, like those of germs, are not limited to one nation. Germs contaminate the air, and European civilization contaminates everything just as germs do.

Such awareness and realization notwithstanding, we do condemn western civilization which created a human animal who is regimented, well-mannered, and well-groomed. Only the man who is the product of this civilization uses the best means of transportation, eats

and drinks the best foods and beverages, wears the best clothes, and enjoys a standard of living that is so luxurious, it is sometimes 50 times higher than that which is available to his fellow man who does not live in Europe and the United States. Men who do not live in Europe and the United States have names that differ from those of western man; their religion is different from western man's religion; and their skin and color are different from western man's skin and color. This civilization which does not take man into consideration, feels no responsibility toward mankind as a whole. In fact, it may have no deep feelings for man at all. Scores of nations are starving to death, but Western, European, American and communist civilization carry on with the way of life each one had set for itself. They made no changes in their way of life to do anything for humanity. They made absolutely no changes in the budgets they had prepared for weapons or in the amounts they spent for luxuries so they can help others in that other world which this civilization calls the Third World.

And even when negotiating [to limit or eliminate] medium or long range nuclear weapons, the backward world is not featured in European civilization's considerations. It has no part in its course of action or plans. European civilization does not think about giving anything to that part of the world. It works only for itself. In fact, it creates a brain drain in the backward world to achieve its own progress, and it shackles the world with debts so the whole world would do its bidding. Thus, land would remain untended so European civilization can receive its raw materials, and people in the backward world would get by and survive on the scraps and scoundlings of western crops and industries.

European civilization does in fact commit greater transgressions. It requires nations in need to remain unable to cultivate enough wheat for themselves. In fact, it uses force sometimes and a carrot and a stick approach other times to prevent nations from cultivating their land and becoming self-sufficient. It does not want these nations to cultivate wheat and rice on their own land.

What kind of civilization is this? How can it be described as humanitarian when it decrees that the world should starve to death? How can this be a humanitarian civilization when it prevents nations from cultivating their own food on their own land? Let's assume for the sake of argument that one year the United States is swept by disaster, a disaster that destroyed its wheat crop and left only what was hardly enough for its own people. What would happen then to the poor world which has become dependent on U.S. wheat and agriculture?

This malevolent conduct which is practiced by western civilization reflects its selfish spirit and its lack of concern for human beings as a whole. It shows that western civilization looks out only for itself and cares nothing at all about what happens to the other members of the human family.

Let's shed light on some aspects of the foolishness and inequities which are practiced by this European civilization. Today, the world has over 6 million unemployed persons, 900 million illiterate adults, 550 million persons who are living a life of semi-starvation—most of them suffer from malnutrition—and hundreds of millions of sick people. At the same time statistics indicate that the average amount of money spent in the world per army soldier is 19,300 dollars. The figure for total expenditures for army soldiers in the world would be found by multiplying the scores of millions of soldiers who serve in western and communist armies by the 19,300 dollars. We can determine the number of soldiers by dividing the number of people in the world by the rate of 556 soldiers for every 100,000 persons. It is unfortunate that there are only 85 physicians for each 100,000 persons living in the Third World, but the number of enlisted regular army soldiers exceeds 25 million.

In 1981 approximately 600 billion dollars were spent on nuclear weapons alone—in this regard we rely on Raja' Jarudi's detailed studies. By 1981 stockpiled nuclear weapons included 50,000 nuclear bombs and 279 nuclear reactors. That is the equivalent of four tons of traditional explosives hanging over the heads of every person on this planet. In the past 20 years millions of people lost their lives in local wars contrived by European civilization. No price tag can be placed on those lost lives. By 1982, over a period of 25 years, approximately 1,950 billion dollars had been spent on weapons sales. That figure is offensive. It is self-evident that amount of money would have been enough to make the Third World in its entirety quite happy.

These are few of the details in a portrait of European civilization, a civilization that has lost its general human sense and its sense of responsibility for man as human being. We do not deny that European civilization did make numerous contributions to man's happiness, but the man whose happiness it sought was its own European man. If the rest of humanity somehow benefited from those contributions, that was not Europe's intention. Whatever advantages Europe's innovations brought to humanity, they were more like scraps thrown to the poor from the table of an arrogant wealthy man who never gave any thought to the humanity or dignity of those people. This arrogant, wealthy man gave them nothing but the scraps from his table.

**'Appropriation of Culture' Decreed**  
44040057 Riyadh AL-DA'WAH in Arabic  
23 Nov 87 pp 30-31

[Article by 'Ali al-Qadi: "The Appropriation of Culture"]

[Text] The appropriation of culture is a recent term used to refer to the domination of the Islamic world by all the concepts of western culture. It also refers to the Islamic world's movement away from all forms of Islamic culture.

Western colonialism has determined that its most important goal in the Islamic countries it colonized was the obliteration of those countries' cultural identity since that was the shortest way to its objectives. The Islamic world is one that has its own authentic culture whose existence poses a threat to western colonialism. The means used by western colonialism to obliterate the cultural identity of Islamic countries include:

- Transferring western thought and western culture to Islamic countries and imposing both on young people. Muslims would be forced to accept those ideas and values, and young people's admiration for western civilization would be elicited by embellishing it and introducing it as a civilization that was complete and infallible.
- Western colonialism created among citizens of Islamic countries a feeling that their culture, values and civilization were deficient and inferior. It pointed out the backward characteristics of their culture, hoping to induce the Islamic nation to shed its own skin and lay down its cultural armor which affords it protection from all hardships and problems.
- The appropriation of culture was accomplished by means of the educational system which educated a group of people who would benefit from western colonialism and turn away from their nation and their culture. Those people would try to achieve the goals of colonialism, and they would work with colonialists to eradicate the Islamic nation's cultural roots.

Our people now understand that it is western civilization which will save this world from all its problems because it is humane and all-inclusive. But western civilization is a civilization that works only for the interests of its own citizens, even if those interests were accomplished at the expense of all human societies.

In western civilization man is worthless. His worth is measured only by the money, services or other contributions he makes. With money and oppression western man can now acquire the product of another man's labor, struggle, and toil.

Modern western civilization, which has boasted about its material discoveries, has won people's admiration, and admirers of western civilization declared it the best civilization.

Western civilization has enslaved man, but it has done so in a new way that was not known in the past. In ancient civilizations masters would feed, clothe, and house their slaves so the slaves can perform the labor with which they were charged to serve their masters' interests. Using money and oppression masters acquired the product of man's labor, struggle and toil. In modern western civilization, however, masters do not burden themselves trying to force their slaves to work. Instead, they've adopted a new method which they managed to come up with. They control people's minds and hearts and can thus seize, at no cost to themselves, the product of man's

labor and toil. In fact, those masters also own man's mind and thoughts. In fact, it is now possible to use the modern ideologies which are espoused by slavish people in modern society to create a propensity for enslavement which is more dangerous than slavery itself because it is a kind of appropriation of culture in which the West has succeeded. When a propensity for enslavement is created, a person loses his sense of the injustice that befell him. Consequently, he does not strive for liberation, and he does not demand his rights. And how can he do that when he is satisfied with his own humiliation and enslavement?

The appropriation of culture in the modern age involves individuals as well as countries. A country which is enslaved becomes economically and politically subordinate to the country that enslaved it. It is therefore influenced by it socially, intellectually and culturally.

Political subordination follows, showing us a third aspect of the appropriation of culture which manifests itself in the fact that Islamic countries follow western countries' policy even if that policy was not in their interests. In fact, they follow that policy even if it were against their interests. The appropriation of culture has made such matters ordinary and others unacceptable, as we see in many countries in the world.

This political subordination goes as far as to get Islamic countries involved in conspiracies and assassinations.

Intellectual subordination is one of the manifestations of the appropriation of culture. Such intellectual subordination becomes evident when people in Islamic countries look at matters from the perspective of the western country to which they are subordinate.

When Russia, for example, kills thousands of Muslims in Afghanistan, no one says anything. It were as though such actions were ordinary and were not worth any thought.

But when Lebanon holds one U.S. citizen hostage—when it merely holds him hostage—the whole world is turned upside down. The West, the East and Muslims too argue that their actions are spurred by humanitarian motives. And yet, where were these humanitarian motives when Muslims were being killed in Afghanistan, in the Philippines, in India, in Cyprus and elsewhere?

And yet, none of this is hidden or concealed by any of the western countries. In 1899 an official statement was issued by the Occupation Administration clarifying the educational policy in Madagascar as follows: "We want to turn the young people of Madagascar into loyal subjects who are obedient to France. We want to offer them an education in industry, agriculture and business so they can fulfill colonialists' needs and the needs of various colonial circles."

In 1919 Henry Simon, minister for the colonies, stated that education in a colonialist society was conducted to serve colonialists' interests.

Two superpowers now control the outcome of matters in our present age. They did not see eye to eye at first, but then they adopted a policy of detente because their common interests as two industrial countries against the remaining countries of the world made the importance of their ideological differences secondary.

Thus, the aim of a cultural appropriation policy is to develop a generation of followers. Such a policy can be carried out with the least cost and most effectively.

The question that comes to mind is this: How can we get rid of that?

And the answer is: by conducting a broad purge to remove the effects of attempts which were made to appropriate our culture. We must regain our lost identity.

And regaining our lost identity can only come about by conducting a comprehensive review of educational curricula and purging them of everything that is alien to our religion, our culture, and our values. We must turn away from everything that is subordinate to the West. The same thing must be done in the media: in the press and in radio and television broadcasts. First, the soil has to be tilled, and the planting stage would come next.

In tilling the soil, we would be removing the effects of the appropriation of culture, and in planting it, we would be regaining our culture and our lost identity. We would be regaining a complete, comprehensive educational system stemming from our values, our religion, our morals, and our culture. That is the only way we can use to reach all the objectives we seek.

May God have mercy on him who guarded his identity and pursued the course of virtue. God Almighty spoke the truth: "This path of Mine is straight. Follow it and do not follow other paths, for they will lead you away from Him. Thus Allah exhorts you, so that you may guard yourselves against evil" (al-An'am: 153).

08592

#### Prominent Industrialist Discusses New Economic Developments

44040053c Riyadh AL-YAMAMAH in Arabic  
21 Oct 87 p 48

[Text] Dr Mahsun Jalal, chairman of the board of the National Company for Industrialization, stated that the industrialization process being carried out by the National Company for Industrialization is based on a developmental perspective that is long-term in comparison with the rapid-yield business perspective.

Dr Jalal said that the road to the realization of goals is still long. Perhaps the best indications of this fact are what other countries that preceded us in the industrial development process have achieved, and the time and effort that this required.

This was contained in the message of the second yearly report of the National Company for Industrialization.

Dr Jalal said: "In 1986, the Saudi economy witnessed a return to calm growth rates in comparison to the boom years. Because of the strength of this economy, it was able to acclimatize itself, make room for the new international economic factors, and proceed along the path of comprehensive development, especially after the local infrastructure had become complete."

"At the end of last December, the government's general budget was announced. This will help create more confidence in the strength of the national economy and propel development forward in coming years, especially in light of optimism that policies will soon be followed leading to a degree of stability in the international oil market, something we began to sense after the recent agreement among oil-exporting countries.

"Perhaps the most important lessons that should be derived from the current economic developments are:

- 1. The need to proceed rapidly to diversify the sources of national income. The National Company for Industrialization is participating in the realization of this goal.
- 2. The need for the private sector to take the initiative in directing its accumulated funds toward productive economic sectors, especially now that the public sector has provided the infrastructure of the national economy.

"In light of these circumstances, the National Company for Industrialization has continued to devote great effort to the realization of ambitious long-range goals, particularly those which it is striving to realize through active participation in building the industrial base. It should be mentioned that the National Administration for Industrialization, which is in its initial stage, has been successfully able to accomplish the building of a qualified Saudi technical apparatus which has taken over the gathering and studying of the reports and information needed for the crystallization of industrial projects and the utilization of the abilities of the computer to process, develop, and update this information."

Dr Jalal said: "As for the company's performance, as will become evident upon reading the report, the balance sheet as of 31 December 1986 shows that the company's assets grew to 345,218,628 Saudi riyals, thus realizing an annual growth rate of 9.51 percent since the establishment of the company. The company's investments in the capital of sister companies have reached 109,177,751 riyals. Net profits before setting aside the allocation for

zakat [the Islamic alms tax] and statutory reserve were 43,253,167 riyals. It should be pointed out that all revenues were realized from management of liquidity owned by the company during the period. It is expected that income sources will be substituted, so that expected income from projects will take the place of income from management of liquidity in future years. Stockholder rights amounted to 338,002,143 riyals, realizing an annual growth rate of 8 percent. Stockholder rights reflect a book value of a single share at 56 riyals (after payment of the legally required alms tax).

With our faith in the patience demanded by the process of realizing goals, the National Company for Industrialization is resolved to continue the long journey with firm steps. We pray that God will enable us to serve our economy, so as to realize diversification of the sources of our beloved kingdom's national income. Verily, He hears and answers prayers.

12937

**Future Drop in Profits Expected by Saudi Banks**  
*44040059 Dammam AL-IQTISAD WAL A'MAL in Arabic Nov 87 pp 38-42*

[Article: "Will Profits Return to Saudi Banks in 1988?"]

[Text] Bad or unreliable debts are the number one problem of Saudi Banks which tend to cover them by reserves set aside from profits. It looks as if this will continue for some time to come unless a miracle occurs and debtors resume paying their debts on suitable terms. It is therefore expected that working banks in Saudi Arabia will realize little profit in the years to come and that they will be more oriented towards investment abroad.

Following is an analysis of bank budgets.

The Saudi banking system has already entered a new stage marked by an attempt to draw on profits to solve the problem of bad debts. This led to a severe drop in profits that was also caused in part by reduced domestic demand for credit. Following is a quick review of major economic developments and their impact on the future profitability and growth of Saudi banks.

The kingdom of Saudi Arabia remained the most important member of OPEC during the past three years. OPEC produced some 18.5 million barrels per day of crude oil in Sep 87 compared with 19.9 million bpd in August. This exceeded the ceiling of 16.6 million bpd set by OPEC for the same month. Saudi production totalled 4.5 million bpd inclusive of the 150,000 bpd produced in the neutral zone. The kingdom, therefore, did not exceed either its quota, set by OPEC at 4,343 million bpd, or the official price of \$18 per barrel.

Saudi Arabia was content to resume its previous role as a "flexible" producer in order to reduce OPEC surplus production. It was also to use its good offices with other OPEC members, especially in the Gulf, to maintain oil production within legal limits.

The collapse of oil prices in March of 1986, and the uncertainty surrounding oil returns, caused the Saudi government to postpone its budget for 1986/87. The budget, announced in December of 1986, reflected a deficit. Given that a barrel of oil would sell for \$18 in 1987, general spending was estimated at 170 billion ryals and income at 117 billion ryals. The budget sought to maintain the level of previous economic activity and to continue support of all health and social welfare programs.

Oil revenues in 1405/06 A.H. totalled the equivalent of 87.7 billion ryals, a decline of 27.7 percent from the previous year and much less than the 329 billion ryals in oil revenues realized in 1401/02 A.H. Investment and other domestic income totalled 131 million ryals in 1405/06 A.H., compared with 172 billion ryals in the previous year.

Despite a 4.5 percent drop in demand deposits in 1405/06 A.H., money supply, in its wider sense, rose by 1 percent thanks to a 6.1 percent increase in circulated funds and an 8.5 percent increase in savings and time deposits.

Commercial bank loans to the private sector dropped 1.2 billion ryals to 58 billion ryals in 1405/06 A.H. compared with an increase of 3.3 billion ryals in the previous year. Loans and discounts to industrial and other sectors accounted for most of the decline even though there was some improvement in the construction, housing, trade, and service sectors.

Bank assets and current liabilities grew by 1.3 percent to 154 million ryals. Capital and reserves grew by 9.4 percent to 13 billion ryals to account for 8.4 percent of all assets. Foreign liabilities grew by 19.7 percent while deposits dropped by 0.7 percent. Other liabilities declined by 3.2 percent and net foreign assets dropped by 4.4 percent.

Commercial banks had a total of 617 branches in 1405/06 compared with 570 branches the year before and to only 59 branches 16 years earlier. The western and southern governorates had the highest number of branches (43 percent), followed by those in the north and center (36 percent) and the east (21 percent).

The 11 Saudi commercial banks were among the most profitable in the world. Profits suffered in the past two years by the need to provide for the possibility of unpaid debts. Economic recession and the sharp drop in government spending caused several establishments to face bankruptcy of liability to fulfill their debt obligations.

Total net income of the 11 banks dropped to 599 million ryals in 1986 from 1,122 million ryals in 1985 and 2,161 million ryals in 1984.

The United Saudi Commercial Bank, smallest of joint Saudi banks, declared a net loss of 15.9 million ryals, or a little less than its 1985 loss of 17 million ryals. The bank, despite gross profits, had increased its reserves to cover bad debts from 22 million to 60 million ryals.

Riyad Bank, which follows the Hijra calendar, announced profits of 189 million ryals in 1986, compared with 512 million ryals in 1985 and 582 million ryals in 1984. The 63 percent drop in its 1986 profits is also attributable to the allocation of 333 million ryals in reserves to cover bad debts.

National Commercial Bank, which also follows the Hijra calendar, had 1986 profits of 79.9 million ryals compared with 99.6 million ryals in 1985 and 499 million ryals in 1984.

Saudi American Bank profits dropped 53.8 percent in 1986 to 81 million ryals compared with 174 million ryals in 1985 and 281 million ryals in 1984. The bank, 40 percent owned by Citibank, raised its reserves to cover bad debts to 180 million ryals in 1986 from 104 million ryals in 1985 and 59 million ryals in 1984.

The Saudi French Bank announced 94.9 million ryals in profits for 1986, compared with 110.4 million ryals in 1985 and 170.5 million ryals in 1984. It too had increased its reserves to 138 million ryals from 75.5 million ryals in 1985 and 49.1 million ryals in 1984.

Net profit at National Arab Bank dropped 17.8 percent to 152.1 million ryals compared to 185.1 million ryals in 1985. Its bad debt reserves doubled to 86.6 million ryals in 1986 from 39.6 million ryals in 1985.

After it allocated 60 million ryals in reserves to cover bad debts, profits at Saudi Holland Bank slipped to 7.8 million ryals in 1986 from 19 million ryals in 1985 and 104.5 million ryals in 1984.

The Saudi British Bank allocated reserves of 55 million ryals and announced 8.6 million ryals in profits, compared with 9.1 million in 1985.

The Saudi Investment Bank had profits of 1.3 million ryals in 1986 compared with a loss of 15.4 million ryals in 1985. Its bad debt reserves for 1986 are at 36 million ryals.

Jazirah Bank realized 7.1 million ryals in profits, compared with 45 million ryals in 1985, after it posted 20 million ryals in reserves to cover bad debts.

The Saudi Cairo Bank, bailed out by SAMA last year, has not yet released its figures.

All Saudi banks suffered a decline in profit as a percentage of assets as a result of increasing reserves for bad or unreliable debts.

National Arab Bank had the highest return as a percentage of assets in 1986—1.23 percent compared to 1.78 percent in 1985. Saudi French Bank was second highest at 0.64 percent (0.74 percent in 1986) followed by Riyad Bank (0.57 percent compared with 1.68 percent in 1985), and Saudi American Bank (0.53 percent compared with 1.23 percent in 1985).

In most cases the decline in return/assets was lower in 1986 than in 1985 since the drop in profits was not accompanied by similar drop in total assets.

The increased reserves to cover bad debts were drawn from bank annual revenues and therefore did not hurt shareholder equity. Some banks even realized an increase in capital and reserves.

Most banks, especially large ones that allocated huge reserves against their debt portfolios, showed a sharp decline in return on equity. National Arab Bank was the best performer among banks that released their figures. It announced a return on equity of 12.2 percent in 1986 compared with 16.1 percent in 1985. Two banks, Riyad and Saudi American, suffered a sharp drop in return on equity. Riyad Bank slipped from 13.5 percent in 1985 to 4.8 percent in 1986. Saudi American dropped from 12 percent to 5.5 percent. Saudi Holland Bank also declined from 5.2 percent to 2.2 percent.

Preliminary figures released by some Saudi banks for the first quarter or the first six months of 1987 indicate that profits continue to decline.

Profits before allocation of reserves at Saudi British Bank dropped to 6.3 million ryals for the first six months of 1987, coming in at less than 78 percent of profits realized during the same period last year. The bank, however, did not release the size of its reserves to cover bad debt for 1987.

Net profits at Riyad Bank dropped 17.2 percent to 52.9 million ryals from 1/3/87 to 6/30/87 compared with 63.9 million ryals in the same period a year earlier. It announced reserves of 140.9 million ryals compared with 129.2 million ryals in the same period of 1986.

United Saudi Commercial Bank, second largest in the kingdom, announced a loss of 12.1 million ryals for the first half of the year compared with a loss of 5.9 million ryals in the first half of 1986.

Saudi Holland, on the other hand, improved its profits from 11 million ryals in the first half of 1986 to 17 million ryals for the same period this year. Saudi Investment Bank posted profits of 4.4 million ryals compared with 1.1 million ryals in the same period last year.

Saudi American had profits of 20.1 million ryals for half the year and new reserves of 42 million ryals. Saudi French announced 22 million ryals in profit and 33 million ryals in reserves. National Arab Bank made 41.6 million ryals in profits and had 20.1 million ryals in reserves. National Commercial Bank had not released any figures as of the first week of October 87.

1. The major problem confronting Saudi banks is that of bad debts. It is estimated that 25 percent of all bank loans, totalling 58 billion ryals, is now due and delinquent. The percentage of delinquent loans at some institutions is as high as 40 percent.

2. The increase in reserves to cover bad debt had a direct impact on bank profitability. Reserves allocated by banks in 1986 are estimated at 1,785 million ryals compared with 1,575 million ryals in 1985. This led to a profit decline from 1,120 million ryals in 1985 to a total of 598 million ryals in 1986.

3. Figures released for the first quarter, and in certain cases for the first half of 1987, indicate that bank profitability may be turning the corner. It is difficult to determine whether this trend will continue for the remainder of the year since the size of reserve allocations is not yet known. There is also no material indications of improvement in the kingdom's general economic activity.

4. It is obvious that banks are still reluctant to increase customer credit this year, especially in the private sector. Banks are currently following the strategy of reducing expenses and tightening credit. The legislation permitting banks to use collateral is expected to have a positive effect in easing credit since this gives banks an alternative to the previously widely used method of extending loans on the basis of name or reputation.

5. Another positive development is the creation of a three-man panel of experts to arbitrate banking disputes. It was announced at the beginning of last October that this panel will begin handling disputes that had been referred to the Commercial Arbitration Panel or to Shar'ia courts. Decisions by the new panel are expected to be instrumental in reducing bank refusal to grant new loans.

6. SAMA is paying close attention to Saudi banking institutions and is keeping a close eye on them. This is evidenced by the subsidies quickly granted to Saudi Cairo Bank since 1985 and by granting low cost deposits [as published] to Saudi Investment Bank and United Saudi Commercial Bank. Other banks did not request SAMA loans because of their stronger positions.

7. But the Saudi Arabian Monetary Agency (SAMA) did not issue clear guidelines on reserves to cover bad debt. Some banks fear that flawed estimation of reserves may undermine confidence in bank-published figures.

8. Banks are giving priority to increasing reserves to cover domestic bad debts because their loans to developing countries are small especially since some were discounted to American banks in return for Saudi private sector debt.

It looks like Saudi banks will maintain high liquidity despite the continuing economic stagnation and the legal obstacles to traditional lending. They are concentrating on increasing commission revenue and on creating new investment and banking products and by improving services to individual and institutional clients.

12945

**Report Highlights Progress Toward Self-sufficiency in Foodstuffs**  
*44000020 Dammam AL-IQTISAD in English*  
Jun 87 pp 71-69

[1st para introductory]

[Text] Agricultural output in Saudi Arabia in recent years has risen in leaps and bounds making the country self-sufficient in certain foodstuffs, with even considerable surplus left for export. The following report reproduced from the latest Saudi Arabian Monetary Agency (SAMA) annual report illustrates what has been taking place in the agricultural and water sector in the Kingdom.

The agriculture and water-resources sectors continued to record improvement during 1404/05. This is because of the massive investments made in recent years by the private sector in agriculture and agro-based activities under the incentives and support provided by Government. These incentives and support have been in the form of interest-free loans, subsidies on agricultural inputs, purchase of agricultural produce at support prices, and the benefits of agricultural research and extension services made available by the Ministry of Agriculture and Water. Indirect subsidies by way of low charges for water, electricity and fuel oil have also greatly benefited the agricultural sector. Large-scale investments have also been made by the Government to augment water resources for agricultural and urban use through the building of dams, development of underground water resources and desalination project.

Total appropriations made for the agriculture and water-resources sectors in the budget for 1405/06, the first year of the Fourth Development Plan, amounted to SR6.42 billion, of which SR2.18 billion were for the Ministry of Agriculture and Water, SR2.26 billion for the Saudi Agricultural Bank and SR1.98 billion for the General Saline Water Conversion Corporation.

### The Agricultural Sector

Agricultural production has expanded considerably in recent years. The interest-free loans, subsidies and other incentives provided by the Government have enabled farmers and agricultural companies to adopt modern production techniques including mechanised farming, use efficient irrigation methods and improved seeds, apply fertilizers in proper quantities and undertake research to increase crop productivity. The increase in the production of wheat has been phenomenal and the Kingdom has not only become self-sufficient in this important crop but is also sending it as grants to some needy countries. There have also been noticeable increases in the production of potatoes, dates and poultry and dairy products.

#### Wheat

Wheat production amounted to 1,347,000 tons in 1404, representing a rise of 65 percent over 817,478 tons produced in the preceding year. It is expected that for 1405, wheat production would reach 1,700,000 tons. The Government purchased locally-produced wheat, through the General Grain Silos Organization, at a support price of SR3,500 per ton until 1404, in order to encourage producers and achieve self-sufficiency in this strategic commodity. In that year, what deliveries to the General Silos Organization were doubled to 1,346,930 tons, signifying the achievement of the goal of self-sufficiency. Since the increase in production was accompanied by a fall in the cost of production and the goal of self-sufficiency had also been achieved, the Government decided that, effective from 1405, the support price of wheat would be SR2,000 per ton instead of SR3,500 per ton. The objective behind this decision is to induce the farmers to pay increased attention to other crops and agro-related activities as well.

#### Vegetables

Research is being carried out to develop those varieties of vegetables which suit the Kingdom's climate, have high yield and are resistant to diseases. Already, five new varieties of good quality potatoes have been developed.

The latest available crop statistics (Table 8.2) indicate that the production of potatoes and okra registered substantial increases during 1402/03. Taking all the vegetables together, however, there was a decline in the output during that year. This was due to tendency on the part of farmers and agricultural companies to devote an increasingly large area of land to the production of wheat. Now that self-sufficiency in wheat has been achieved and Government subsidy on wheat production has been adjusted downward, it is expected that the area for growing vegetables will tend to rise.

Table 8.2 Agricultural Area and Production

	1401/02 <sup>r</sup>	1402/03 <sup>r</sup>		
	Area (Hectares)	Production (in tons)	Area (Hectares)	Production (in tons)
<b>Grains</b>				
Wheat	151,058	416,735	245,071	817,478
Sorghum	10,720	5,222	10,355	7,478
Millet	95,829	60,910	59,239	47,089
Corn	1,222	1,143	825	672
Barley	3,121	4,507	932	1,851
<b>Vegetables</b>				
Tomato	20,346	299,788	19,397	263,980
Marrow	3,858	41,496	3,135	39,700
Egg Plant	3,247	43,459	3,083	34,256
Okra	1,227	6,345	1,951	11,979
Dry Onion	1,623	16,482	604	7,464
Potato	4,415	3,260	5,834	8,769
Watermelon	28,174	456,512	21,132	446,742
Musk-melon	7,309	124,175	3,640	75,553
<b>Fruits</b>				
Dates	68,583	399,576	55,481	406,722
Citrus fruits	1,447	9,440	1,462	8,674
Grapes	2,983	44,116	3,831	42,316

r : revised

Source: Ministry of Agriculture and Water.

### Fruits and Dates

The diverse climate of the Kingdom favours the cultivation of different kinds of fruits. For encouraging the production of fruits, more than 10,000 fruit seedlings were produced and distributed to research centres and farmers in the Kingdom during the year under report. About 110,000 buds of citrus trees were grown at Najran research centre for grafting with local citrus trees in the area. In addition, 70,000 grapes and pomegranate seedlings of Ta'if origin were distributed among the farmers of Najran region. For encouraging the production of

dates, the Government stands ready to purchase any quantity of dates tendered by the farmers at an attractive price. During the year under review, the Ministry of Agriculture and Water purchased 10,000 tons of dates from farmers at SR3,000 per ton.

### Poultry, Dairy and Livestock Production

During 1303, 1,852 million eggs were produced as compared with 1,748 million in 1403 (Table 8.3). The production of broiler chickens went up to 138,000 tons from 119,000 tons in 1403. This raised the ratio of domestic production to total consumption from 39.5 percent to 46.0 percent.

Table 8.3 Domestic Egg and Poultry Production

	1393	1402 <sup>r</sup>	1403 <sup>r</sup>	1404 <sup>r</sup>
<b>Broiler chickens (tons)</b>				
Domestic production	8,105	81,619	118,825	137,680
Imports	11,412	196,271	181,951	164,508
Consumption	19,517	277,890	300,776	302,188
Ratio of domestic production to consumption	41.5	29.4	39.5	46.0
<b>Eggs (Million)</b>				
Domestic production	114.4	1,244.0	1,748.0	1,852.0
Imports	94.4	173.4	39.2	—
Exports	—	—	5.2	6.6
Consumption	208.8	1,417.4	1,782.0	1,845.4
Ratio of domestic production to consumption	54.8	87.8	98.0	100.4

r : revised.

Source: Ministry of Agriculture and Water.

**Table 8.4 Meat Production and Consumption**

	1399	1402	1403	1404
1. Red Meat Production (tons)				
a. Domestic Production	14,628	28,346	70,115	70,115
Imports (slaughtered & livestock)	175,056	270,650	220,473	182,717
Total consumption	189,684	298,996	290,558	252,832
Domestic production as percent of consumption	7.7	9.5	24.1	27.7
White Meat Production (tons)				
a. Domestic Production*	58,611	108,882	162,995	170,341
b. Imports	159,937	221,512	230,897	231,128
Total consumption	281,548	330,394	393,892	401,469
Domestic production as percent of consumption	26.8	33.0	41.4	42.4
3. Total meat consumption (1+2)	408,232	629,390	684,480	654,301
Domestic production or percent of consumption	17.9	21.8	34.0	36.7

\*Including fresh fish.

Source: Ministry of Agriculture and Water.

**Table 8.5 Milk Production and Consumption**

	1402	1403	1404
Number of specialized projects	18	21	28
Number of cows (head)	12,422	20,000	24,140
Milk production (tons)	47,360	90,000	105,132
Conventional production (tons)	224,400	246,845	279,464
Total domestic production	271,760	336,845	384,596
Imported powder milk (tons)	269,360	408,863	674,785
Total consumption	541,120	745,708	1,059,381
Ratio of domestic production of total consumption	50	45	36

Source: Ministry of Agriculture and Water.

The number of dairy farms operating in the Kingdom rose from 21 in 1403 to 28 at the end of 1404. These had 24,000 cows which produced about 105,000 tons of milk as against 90,000 tons in 1403. An additional 279,000 tons of milk was produced by conventional sources in 1404 compared with 247,000 tons in the preceding year. Consumption of milk increased at a faster rate than its production with the result that imports of milk had to be increased during the year (Table 8.5).

#### Fish Resource

The Ministry of Agriculture and Water runs a coastal laboratory in Jeddah to serve as a research centre for the development of fish resources. Another research centre is in Dammam. The two research centres have carried out a number of scientific experiments. These centres have prepared and issued maps indicating fishing locations, types of fish, fishing quantity per hour and the fishing method that should be applied. The centres have conducted a number of fields studies, the most important of which is on means of developing fishing ports,

significance of ice plants in fishing areas and fish processing by fumigation. A study has also been prepared on types of shrimps and their locations.

#### Agricultural Loans

The number of agricultural loans disbursed by the Agricultural Bank in 1404/05, the last year of the Third Plan, was 14,746 with a total value of SR2.3 billion (table 8.6). This brought the cumulative value of loans extended by the Bank during the Third Plan period to SR15.45 billion which was five times the value of loans disbursed during the Second Development Plan. The cumulative value of loans disbursed by the Bank since its inception until the end of the Third Development Plan amounted to SR 18.93 billion.

Of the total loans disbursed by the Bank during 1404/05, medium term loans accounted for 93 percent and short-term loans 7 percent. Of the total loans, SR566 million were for centrifugal irrigation systems, SR472 million for drilling of wells, SR411 million for agricultural

projects, SR315 million for farm-machinery, SR307 million for engines and pumps and SR250 million for general agricultural requirements, boats, fishing equipment, bee-keeping equipment, green houses, etc. (Table 8.7).

### Agricultural Subsidies

Agricultural subsidies extended by the Agricultural Bank to farmers during 1404/05 amounted to SR1.38 billion or 34.8 percent more than in the preceding year. The cumulative amount of subsidies extended by the Bank during the Third Plan period reached SR5.32 billion which was about four times the aggregate amount of subsidies disbursed during the Second Plan (Table 8.8). Subsidies on fodder at SR710 million accounted for 51.5 percent of total subsidies disbursed during 1404/05. This was followed by engines and pumps (SR356 million or 25.8 percent), farm-machinery (SR286 million or 20.7 percent), poultry-farming equipment (SR15 million or 1.1 percent), cow-transportation cost (SR10.8 million or 0.8 percent) and miscellaneous (SR 0.7 million or 0.1 percent).

**Table 8.6 Loans and Subsidies granted by the Saudi Agricultural Bank Lending**

Year	Number of loans	Value (Million SR)	Subsidies (Million SR)
1400/01	45,128	2,530	616
1401/02	37,446	2,932	979
1402/03	38,886	4,166	1,321
1403/04	23,884	3,496	1,023
1404/05	14,746	2,322	1,378

Source: The Saudi Agricultural Bank.

**Table 8.7 Distribution of Loans given by the Saudi Agricultural Bank during Fiscal Year 1404/05**

Purpose	Amount (Million SR)	% Share
Irrigation Systems	566.35	24.4
Well drilling	472.10	20.3
Agricultural projects	411.23	17.7
Farm machinery	315.25	13.6
Engines/pumps	306.97	13.2
Other purposes	249.90	10.8
Total	2,321.80	100.0

Table 8.8 indicates details of projects.  
Including farming requirements such as equipment, fishing boats, spare parts, labour wages, etc.

### Distribution of Fallow Land

The Government has continued to distribute fallow lands among individuals and agricultural companies for cultivation and establishment of agricultural projects.

The area distributed since the issue of the Fallow Land Distribution Regulation in 1388, and up to the end of Jumad II, 1405, amounted to 668,355 hectares benefiting more than 41,000 individuals, 2,150 projects and 10 companies.

### Water

In view of the significance of water as a basic element in the life of the citizens, the Government has accorded high priority to the development of water resources. The Ministry of Agriculture and Water has built a large number of dams to augment underground water, store surface water and control floods. Geological studies have indicated the existence of underground water of good and acceptable qualities and proper for economic utilization in various layers. Al-Wasi' aquifer is one of the most important water aquifers under exploitation; it provides Riyadh with adequate supplies of fresh water. Other aquifers include al-Minjour, al-Wajeed, Al-saq and others.

### Dams

The number of dams constructed since 1376 and up to the end of 1405 amounted to 160. These included concrete and earthfill dams of different sizes and capacities. Of the total, 128 dams were constructed during the Third Plan period. The most important of these dams was Wadi Najran dam with a storage capacity of 86 million cubic meters and capable of irrigating 10,000 hectares of land, and Wadi Jizan dam with a storage capacity of 51 million c.m. and irrigating 6,000 hectares. There are also 130 dams under study and design.

### Urban Water Supply

The Ministry of Agriculture and Water has implemented a number of projects for meeting the growing requirements of water in both urban and rural areas. The average daily water consumption of Riyadh is estimated to have reached approximately 520,000 cubic meters in 1405. The sources from which the city gets its water supplies include the Jubayl desalination projects and 162 wells of different depths. The total length of the water network supplying Riyadh with water was 5,585 kilometers in 1405. Jeddah's daily average consumption stood at about 350,000 cubic meters in 1405. This is being met by water supplies from the desalination projects and underground water sources. The water network serving the city stretches 2,886 kilometers. Work is underway to expand the network by 100 kilometers, and it is due to be completed in 1406.

### Recycling Sewage Water

A study has been conducted indicating the possibility of recycling sewage water for use for agricultural purposes after its treatment. A beginning in this direction has already been made in Riyadh where a total of 200,000 cubic meters of water is being treated daily. The treated

water is used for irrigating 175 farms with an area of 1,200 hectares. Meanwhile, a study is underway for recycling sewage water in Madinah and Qasim.

### Water Desalination

The Government has implemented a large number of water desalination projects over the years in both the Eastern and Western coasts of the Kingdom, involving huge outlays. The cumulative amount spent on implementing water desalination projects since the First Development Plan up to the end of the Third Development Plan reached SR33.5 billion. The implemented projects have a daily capacity of 1,830,690 cubic meters of water and 3,624 megawatts of electricity. The projects are providing water supplies to no less than 16 cities located on Western and Eastern coasts of the Kingdom. Work is in progress on the implementation of a number of additional projects, the most important of which are Makkah/Ta'if project, with an estimated daily capacity of 223,000 c.m. of water and 350 megawatts of electricity, and 'Asir project, with an estimated daily capacity of 96,300 c.m. of water and 138 megawatts of electricity. On the completion of these projects, the daily capacity of the desalination projects will rise to 2,188,538 cubic meters of water and 4,102 megawatts of electricity. Another 13 projects are under study and consideration.

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### Qualifications, Salary Requirements Impede Saudization

44040053b Riyadh AL-YAMAMAH in Arabic  
21 Oct 87 pp 46-47

[Text] Comprehensive economic and social development continues to be a goal we strive to realize. In the private sector, a sufficient number of desired workers who are citizens need to be available for this; however, a severe shortage of workers has created large opportunities for using foreign expertise. Lest this shortage be an obstacle to the growth of the sectors at the desired rate, in the context of searching for various aspects that impede speedy implementation of the principle of Saudization of private-sector jobs, the opinions of several employers were consulted in a search for clarification that included a number of questions that were posed in a personal interview. All the questions move in one direction; all aim at answering three main questions:

First, what are the most important criteria that govern the employer's choice of worker desired for a job in the private sector?

Second, to what extent does the pool of Saudi citizen labor fit these criteria from the point of view of the owner of the firm?

Third, what are his suggestions for overcoming the obstacles to the Saudization of jobs in the private sector?

Consultation of the opinion of the Riyadh Chamber of Commerce on these three points revealed the following results:

### The Private-Sector Job

The most important opinions of the owners of firms interviewed on this subject can be summarized as follows:

1. In general, the private sector consists of establishments, factories, and companies moved basically by the profit incentive, since they have to accomplish the work for which they were established in the shortest possible time and at the lowest possible costs. This is the most important consideration governing all the choices and actions of private firms.
2. The process of hiring an employee for a particular job is subject in the first degree to qualification, experience, and ability, without regard to the applicant's nationality, especially in technical and professional positions, since these positions have a great influence on productivity and the speed with which work is carried out.
3. The availability of more than one source for importing workers gives the private firm greater flexibility in choosing the best individuals in terms of qualification and experience than if the firm were restricted to one source. Furthermore, a wide circle of choice has an influence in lowering wages to a level in keeping with the nature and conditions of the work, and this is reflected in the cost of production.
4. The wage level that a worker demands for filling a position plays a great role in the choice of a worker for the job. In this regard a great disparity can be observed between the salaries of Saudi citizens and those of foreign workers. This constitutes the greatest obstacle to the employment of citizen workers, since salary has a direct relation to the costs of operating a firm.

There are many examples of this:

- The salary of a foreign accountant ranges from 2,000 to 3,000 riyals, while the salary of a citizen accountant is not under 6,000 riyals a month at one of the companies.
- In one factory, the foreign technician with long experience at operating machines obtains a salary not exceeding 1,000 riyals, while the salary of a citizen in the same position and with fewer years of experience is not under 3,000 riyals (one should note their rarity).
- The salary of the professional worker in the same company normally does not exceed 500 riyals for the foreigner, while the citizen's salary in this position is not under 2,000 riyals a month.

We also notice a great disparity in salaries for workers with scientific credentials:

- While a foreigner with a masters degree in the same factory receives a salary not exceeding 7,000 riyals, a citizen with the same credential receives a monthly salary of 15,000 riyals.
- A foreign chemist in the factory under discussion receives 4,000 riyals, while the salary of a citizen in the same position is not under 8,000 riyals.

The views of the company owners have made it clear that the high wages of citizens have a close relation to production costs and the economics of operating firms, particularly since in a large number of factories the proportion of foreign technical and educationally qualified workers is no less than 90 percent. If the salaries of citizens in the same jobs are of a disparity that reaches three times the salary of the foreign worker on the average, what would the cost of wages be if it were possible to substitute citizen workers for foreign workers in such companies?

It is also to be noted that current economic conditions point to a decrease in the number of jobs and in the profits of private companies, compared to previously. This is leading these companies in the direction of everything that would tend to decrease the pressure of production costs.

5. The consensus was that the choice of a worker for a position is influenced greatly by certain circumstances peculiar to the operation of the private sector, such as the following:

- The length of the workday, the small number of weekly days off and of yearly vacation days, and the system of working hours, which in most private firms is based on a system of two shifts, unlike the government sector.
- The effectiveness of supervision and increase in on-the-job discipline because of the relatively small size of private firms and the immediate relationship between the owner and the subordinate: this obliges the worker to discharge all his work hours energetically and allows for no kind of laxity.
- Promotions and salary raises are subject to the owner's direct evaluation of the employee's activity, influence in increasing the company's profit, and degree of regularity at work. This does not allow personnel who are unsound or inappropriate to the company's operation to remain.
- Some private-sector jobs are temporary jobs in which permanent citizen workers are not suitable, e.g., contracting jobs and building projects in general.

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### **Intellectual Expounds Islamic Approach to Population Explosion**

44040058 Riyadh AL-DA'WAH in Arabic  
23 Nov 87 pp 34-37, 46

[Article by Dr Muhammad Sayyid Ahmad, deputy dean of the College of Information: "The Second and Final Installment: an Islamic Perspective on Population and Development"]

### **[Excerpts]**

#### **The Islamic View of the Contemporary Population Question**

The population problem worldwide has received intense coverage in the media during the second half of the 20th century. Briefly stated, this problem has to do with how the continuing increase in the population can be stopped. Expressions such as "the population bomb," "the population explosion," and other such alarming expressions can now be heard on broadcasts and read in the press.

Anxiety is a human phenomenon, and feelings of anxiety are inherent in man and in his makeup. The Holy Koran teaches us what God Almighty said: "Indeed, man was created anxious" (al-Ma'arij: 19).

In the second half of the 20th century ideas discussing the problem of the continuing increase in the population emerged in the various media, and ways of confronting, dealing with, and solving this problem were also discussed.

Western capitalist thought produced a coherent point of view on this question. Accordingly, communist thought reacted to the problem of the continuing increase in the population by declaring that the question was not a problem of having too many children, as previously stated, but rather one of distributing resources.

Such human attempts to find a way out of a contemporary world problem are natural and essential. The Holy Koran also taught us what God Almighty said: "Oh, but man is a telling witness against himself" (al-Qiyamah: 14).

Then there is Islamic thought: but does Islamic thought have a general view on this worldwide contemporary issue?

The two verses in the Koran state that "Indeed, man was created anxious," and "...but man is a telling witness against himself." These two verses can show a Muslim scholar investigating the question of family planning and human resources development the proper approach and the proper Islamic view on the population question as it pertains to an individual, to a small family, to society and to the whole world.

#### **First, the Population Question as It Pertains to an Individual**

1. Islam pressed "man" to marry and not to refrain from marriage.
2. Islam pressed "women" and their guardians to refrain from demanding excessively high bridal dowries.

3. Islam decreed that a wife was free to accept or reject a suitor and that her consent in marriage was essential to the validity of a marriage contract.

#### **Second, the Population Question as It Pertains to a Small Family**

1. Muslim experts in jurisprudence have decreed that couples have the right to agree voluntarily to postpone pregnancy in accordance with their own interests, or to use the contemporary term, to practice birth control.

2. Islam determined children's rights and the responsibilities fathers and mothers have for their children.

#### **Third, the Population Question as It Pertains to Society**

It is my view that in this contemporary world an Islamic society, state, or country ought to be addressed in the same way the nation of Islam was addressed in the prophet's days. This is because the contemporary world is one that has seen the birth of ethnic groups and countries which have their own flags, national anthems and boundaries. This is an inescapable, contemporary international phenomenon decreed by the modern historical conditions of independence and the right to self-determination. Other such ingredients and components of modern history are also included in this international phenomenon.

Giving the Islamic state the same message that was given to the Islamic nation is not inconsistent with universal Islam nor antithetical to the international character of Islam in this day and age.

Accordingly, what applies to the population question as it pertains to society applies to what was sanctioned by Islam regarding that question in general as it pertains to the Islamic nation. The first thing we find in this regard is a statement made by God's messenger, may God bless him and grant him salvation. He told the nation of Islam, "Mate women and beget children; I will be proud of your numbers on the Day of Final Judgment."

In interpreting this tradition the first thing we must call attention to has to do with the usage or significance of a term. The term, "mate," means to marry; it does not refer to the sexual act. But the most important point in this tradition which we must call attention to here is that the prophet will take pride in the Islamic nation in front of all nations. It would be inconceivable to think of the prophet boasting about a small number of people. Instead, he would be boasting about a large number of strong people. And even if he were boasting about them on the Day of Final Judgment, he would be taking pride in the large number of martyrs, victorious fighters, and capable men of virtue. A strong believer is better and dearer to God than a weak believer. This is in accordance with the text of the prophet's tradition.

#### **Fourth, the Population Problem as It Pertains to the World**

That point may be viewed from two perspectives.

1. First, from the perspective of marriage between a Muslim man and a non-Muslim woman.

2. [Second], international responsibility for the human problem.

When we consider this matter as it pertains to the individual, the family, society, and the international community, and when we examine all sides of this question from an Islamic perspective, we can determine that there are numerous Islamic stances which constitute a general framework for an Islamic view on the question of population and development.

First, in the Individual Sphere: Male and Female:

Marriage in Islam is sanctioned by tradition. The messenger, may God bless him and grant him salvation, said, "Marriage is one of four traditions sanctioned by God's messengers." God Almighty said, "We have sent forth other apostles before you and given them wives and children" (al-Ra'd: 38). God Almighty also said, "Take in marriage those among you who are single and the pious of your slaves and female servants. If they are poor, Allah will enrich them from His own abundance. Allah is munificent and all-knowing" (al-Nur: 32).

Citing Uns, may God be pleased with him, al-Bukhari and Muslim reported that "Three groups of people came to the homes of the prophet's spouses, may God bless him and grant him salvation, inquiring how the prophet, may God bless him and grant him salvation, worshiped God. When they were told, they reacted as though they had been arguing about the matter. They said, 'And where do we stand, compared to the prophet, may God bless him and grant him salvation? He has been forgiven for all past and future sins.' One man said, 'I pray all night.' Another said, 'I fast all the time and never break the fast.' Another said, 'I stay away from women, and I don't ever marry.' The messenger of God then said, 'You who made these statements: I do indeed fear God more than you do, and I am more devout than you are, but Ifast, I break the fast, I pray, I sleep, and I marry women. Anyone who turns away from my tradition is not one of my people'."

Citing Sa'd ibn Abu al-Waqqaas, al-Tabarani related that the messenger of God, may God bless him and grant him salvation, said, "God has perpetuated for us a tolerant life of Hanafi monasticism."

Citing Imamah, al-Bayhaqi reported that the prophet, may God bless him and grant him salvation, said, "Marry and no not lead a life of celibacy like Christian monks. I want you to outnumber other nations."

'Umar told Abu al-Zawa'id, "Only impotence or debauchery should prevent you from marrying." Ibn 'Abbas said, "A devout man's piety does not become complete until he marries. Marriage is necessary and indispensable. Islam has nothing to do with monasticism and celibacy which cause man to miss many benefits and advantages. That is why Islam paved the way for people to marry and urged avoiding extravagance in bridal dowries and marriage costs."

Islam finds that excessive bridal dowries are abhorrent, indicating that the smaller the bridal dowry, the more blessed the marriage. 'Aishah, may God be pleased with her, reported that the prophet, may God bless him and grant him salvation, said, "The most blessed marriage is one that is feasible and without difficulty." He also said, "A woman's good fortune lies in her small bridal dowry, in the lack of difficulty encountered by a man who wishes to marry her, and in her good conduct. A woman's ill fortune lies in her high bridal dowry, in the difficulty encountered by a man who wishes to marry her, and in her poor conduct."

The consent and agreement of both parties are the basis of marriage in Islam.

A bride-to-be's guardian must start out by asking her opinion and finding out if she consents to the marriage. This is to be done before the marriage contract is concluded. Islam prohibited forcing a woman, whether or not she had been previously married, to marry against her wishes.

Ibn 'Abbas relates that the messenger, may God bless him and grant him salvation, said, "A woman who has been previously married is more qualified to speak for herself than her guardian is. A woman who has never been married should be asked for her consent. Her silence is a sign of consent." Except for al-Bukhari, this was related by chroniclers of the prophetic tradition. In an account related by Ahmad, Muslim, Abu Dawud and al-Nisa'i, it is reported that the father of a woman who has never been married should ask her what her wishes are before the marriage contract is concluded.

Abu Harirah, may God be pleased with him, reported that the messenger of God, may God bless him and grant him salvation, said, "Do not marry a widow until the matter has been deliberated with her, and do not marry a woman who has never been married before until her permission has been given."

The messenger was asked how a woman who has never been married before would indicate that she was granting permission. He replied, "By her silence."

Hasna', the daughter of Hudham, reported that her father gave her away in marriage after her divorce from another man. She took her case to the messenger of God,

may God bless him and grant him salvation, and he annulled her marriage. Except for Muslim, this account was reported by the chroniclers of the prophetic tradition.

#### Second, in the Sphere of the Family:

Islam does not forbid birth control in special circumstances, permitting the use of contraceptive drugs or any other method to prevent conception. Birth control is permitted in certain cases, including when a woman is physically weak or when she's had one pregnancy after another.

Some scholars hold that birth control is permitted in Islam without any restrictions. They cite these traditions to prove their views:

1. Al-Bukhari and Muslim reported Jabir's account that, "We used the barrier method in the days of the messenger of God, may God bless him and grant him salvation, and when the Koran was being revealed."

2. Muslim reported Jabir's account that, "We used the barrier method in the days of the messenger of God, may God bless him and grant him salvation. When the messenger heard about that, he did not forbid the practice." Al-Shafi'i, may God have mercy on him, reported this, and we too report it on the authority of a number of the prophet's companions: that practice was sanctioned, and there were no objections to it.

Islam gave children rights which have to be met by their fathers and mothers whose financial responsibility for the children is a matter of Islamic duty. The messenger of God, may God bless him and grant him salvation, said, "The best food for a man and his child is that which was acquired with the father's earnings." This statement was reported by Abu Dawud, by al-Nisa'i, by Ibn Majah, and by al-Tarmadhi.

A child is entitled to be in a parent's custody because he needs someone to look after him, to protect him, and to take care of his needs and his education. A mother is to be compelled to take care of her child if she stubbornly refuses to do her duty because the child needs her and there is no one else to take care of him.

'Abdallah ibn 'Amr, reported that a woman told the messenger of God, "O messenger of God, I carried this son of mine in my womb, then I held him in my arms and nursed him. Now his father declares that he would take him away from me." The messenger said, "Your right to keep that child is greater than his as long as you do not marry another man." This was reported and authenticated by Ahmad, Abu Dawud, al-Bayhaqi, and al-Hakim. In Islam a wife is entitled to a fee when she has custody of her child, and she is also entitled to a fee for nursing the child after the expiration of the legally prescribed period during which she may not remarry.

God Almighty said, "If they are with child, maintain them until the end of their confinement; and if, after that, they give suck to their children, give them their pay ..." (al-Talaq: 6). Islam also decreed that males and females would inherit and determined the share that each would receive. Islam also enjoined equality in giving children presents and gifts, and there are many traditions to that effect.

Third, in the Sphere of Society: Society, the State, the People, and the Homeland:

The roots of many contemporary problems go back to the problem of language. As time goes by the twisted usage of a word or phrase will eventually distort thinking and social conduct, as usage of that word or phrase continues in an unhealthy climate. An example of that is found among those who claim that the term, "nation," in the Islamic sense has to include all Muslims on this globe. To those people, "nation" can have no other meaning. Consequently, a message that is addressed to the Islamic nation is impaired by this view because the contemporary world in which Muslims live—and there are more than 1 billion Muslims—is one that consists of nations, states, ethnic groups, and minorities in some countries. Muslims are no longer united by one successor to the position of Muslim leader; nor are they one political unit. It would be more proper for such stupid and foolish people to stop impairing messages that are addressed to the Islamic nation. It makes sense that each Islamic society, each Islamic state, and each Islamic people be addressed separately, as required by contemporary conditions. It makes sense that such addresses be considered addresses to the nation [of Islam].

This contemporary concept of a nation does not contradict the comprehensive, Islamic concept of a nation for all Muslims. God Almighty said in the Holy Koran, "Abraham was a nation obedient to Allah. . ." [al-Nahl: 120].

The messenger, may God bless him and grant him salvation, instructed Muslims to select someone who would act as their leader whenever even three of them would get together to carry out a mission or to travel on a journey.

On that basis Koranic verses to that effect address the nation of Islam, and prophetic traditions which are addressed to the nation become a framework for Islamic human development in the sphere of society or in the people's sphere.

No longer would statements or independent opinions be not applicable to the numerous facets of an Islamic community, an Islamic homeland, or an Islamic country.

What are the chances that an Islamic country will face war? How can the quality of man's health, culture and training be developed? What are the national plans for human development, and to what extent are they consistent with the Islamic concept of human development and contemporary reality?

We thus find ourselves confronted with numerous digressions which are open to independent opinions and ideas. However, these independent opinions and ideas are circumscribed by the general Islamic framework for human development on the national scale.

Fourth, the Population Question on an International Scale:

The population question on an international scale reminds us of those terms and expressions which are extremely alarming: expressions such as "the population explosion," "the population bomb" and other similar terms. International statistics indicates that the world's population in 1650 was 500 million persons. In 1750 the world's population became 700 million persons. By 1850 the number of people had grown to 1.2 billion persons. After one century the number of people doubled, and the world's population became 2.5 billion persons. Then by 1975 the number of people in the world was 4 billion persons. By the end of this century the number of people in the world will be 6.5 billion persons. The inherent problem in this population explosion is this: the number of poor people is growing faster than that of rich people.

The population explosion problem is regarded as the international aspect of the population problem in each country in the world. Basically, in fact, it is the problem of developing countries where the relative progress which was achieved in health and independence helped stop losses in human lives in Third World countries. That drain on people's lives manifested itself in several ways, including hunting slaves down or forcing people into slave labor which led to their death. That was the case when the Suez Canal was being built. People lost their lives in wars of liberation—that was the case in Algeria—and citizens of the colonies were forced to fight in world wars which colonialists had waged against each other. Those citizens had absolutely nothing to gain by fighting in those wars.

The population explosion is linked to the area of land, which is limited. It is linked with what this land can yield to provide a living, and that is something which can be developed and increased. That is why citizens of Third World countries ought to consider the population explosion seriously. They ought to determine precise population and family planning policies which would achieve a balance between human resources, as represented by the people, and natural resources, as represented by everything which the land yields and produces.

The statistical aspect of the population problem links the population and the growing number of people with the resources which are and might become available to them. But there is also an ideological side to the population problem, and that is associated with society's policy and its economic systems, which have been referred to already. However, it must not be forgotten that one aspect of the problem concerns the whole world, and international cooperation to find a solution to that problem is necessary and essential.

In some instances, however, the attitude of wealthy capitalist countries toward this question has been offensive. In the western capitalist world a so-called "lifeboat theory" has emerged as an approach to a solution for the population problem.

The foundations for that theory were laid down by Dr Garrett (Harun), professor of biology at California State University. The catch phrase for that theory is Lifeboat Ethics (8). [Translator's Note: No footnote is provided in the Arabic text.] The wealthy countries of the world, says Dr (Harun) in explaining his theory, are living now in a crowded lifeboat while the rest of the world's population are drowning in a sea of hunger. If those who are in the lifeboat were to allow the others to hang on to the boat or climb aboard, the lifeboat would sink, and all those who are on board would perish. Dr (Harun) and a number of California state congressmen are calling for the immediate suspension of aid to those countries which are dragging their feet on the question of birth control.

This new theory is gaining the support of a growing number of American specialists and politicians, including Earl Butts, [former] U.S. secretary of agriculture who declined to make a commitment, as his country's representative, to earmark food reserves for developing countries. This happened in November 1974 when the General Conference on Food was in session. Proponents of this theory, or the new realists, as some newspapers refer to them, think that half the world's population suffers from hunger and that the United States alone consumes 35 percent of the food which is available in the world, even though its population represents only 6 percent of the world's population. Proponents of this theory maintain that unless action to prevent population growth becomes a condition to receiving aid from the United States, the price of saving lives today will be the loss of more lives in future generations. Proponents of this theory add other arguments [to buttress their approach]. Among those arguments they state that this theory must be applied selectively and that candidates for aid must be disqualified in accordance with the same approach utilized by military hospitals in times of war. States must be classified in the same manner in which the wounded are classified. They are to be divided into three groups.

One group is to include the wounded who will die regardless of the assistance they will receive. Another group is to include the wounded who will live if they receive the appropriate treatment. A third group is to include the wounded who can take care of themselves.

The number of people who are starting to believe in this new theory has been growing since Dr (Bawahir Balakh), professor at Stanford University and author of the book, "The Population Bomb," joined their ranks. Dr (Balakh) went so far as to advise everybody to start hoarding food, water and clothing because hungry people these days have nuclear weapons.

Proponents of this new theory are not restricted to academia and the world of politics. They actually receive moral support for their point of view from Dr Joseph Fletcher, a theological scholar who had served as a priest in London. Dr Fletcher is the author of one of the most widely read books entitled, "The Moral Ethics of the Situation."

Dr Fletcher holds in his book that any conduct, no matter how criminal, can be deemed proper if it is appropriate in a given situation. He admits that although he dislikes the idea, he cannot resist the rationale of the lifeboat theory. If the implication of that theory is that ultimately more people will die, a decision that serves the interests of the largest possible number of people will have to be made.

Of course, not all Americans believe in this theory. Senator Hubert Humphrey is critical of the basic idea behind it, which he describes as loathsome. Mr Robert McNamara, chairman of the IBRD, states, "This line of thinking is technically incorrect just as much as it is hateful and morally repugnant."

But what is Islam's attitude on human development in the international sphere?

Islam's attitude stems from the central idea that all people are equal, as equal as the teeth of a comb. Muslims and non-Muslims should work together to assist the needy and ensure the safety of the fearful until they reach a safe haven.

That is why Islam permitted a Muslim man to marry a woman who is an adherent of a revealed religion. What is said about a ship in the prophet's tradition may show us Islam's concept of cooperation among people.

The messenger, may God bless him and grant him salvation, says, "He who is in charge of executing God's punishment and he who receives such punishment are like people who jump in a vessel. Some of them hit the top, and some hit the bottom. When those in the bottom want water to drink, they would have to ask those on top for it. They might think about making a hole in their part of the vessel without hurting those who are on top. If those on top let them do that against their wishes, they would all perish. But if they help them get the water they want, all would be spared and saved."

Comparing the lifeboat logic in capitalist, western thinking with Islamic logic, as that is manifested by the passengers on that vessel, shows us that Islam respects mankind's right to life.

08592

**Egyptian Expatriate Complains of Working Conditions**

44040053a *Riyadh AL-YAMAMAH* in Arabic  
21 Oct 87 p 22

[Letter by unnamed Egyptian worker to the Saudi minister of labor: "I Am Working Without Compensation! Is This Right?"]

[Excerpt] To His Excellency the respected Minister of Labor and Social Affairs, peace and God's mercy and blessings be upon you:

I submit this complaint of mine to Your Excellency, praying to God Almighty that this complaint will obtain Your Excellency's kindness in resolving it.

The subject: I am an Egyptian citizen working with Atlas Contracting Company in the position of technical supervisor. More than a year and a half ago, I submitted an application for a leave to be spent in my country. During that time, I did not succeed in fully obtaining the sums due to me, in spite of the great efforts I made to obtain these sums.

I obtained part of them, and the owners of the company promised me upon return to disburse the remainder of the funds owed. I returned from my leave to work again. I have been working for 11 months, again without being able to fully obtain the sums owed to me. In addition, I have not received my salary from the month of Rabi' II, 1407 [December 1986] until the writing of this complaint, 3 Safar 1408 [27 September 1987].

I will not take up too much of Your Excellency's time in setting forth the details of this period and the great suffering I experienced, the extent of which only God knows. In addition, the aforementioned period of months during which I did not receive my salary was interrupted by a period of 2 months during which I underwent two surgical operations in Saudi hospitals, one of which was an operation outside the city of Riyadh, due to the fact that the company did not assume health insurance for us.

Not satisfied with this, the company even refused to credit the sick leaves registered by these hospitals and proceeded to deduct them from my salary. I do not believe any system in the world, whether based on Islamic law or not, would approve of such action.

Whereas such actions conflict with the magnanimous Islamic Shari'ah and harm the reputation of this good country, which God has strengthened with Islam and with a noble royal family that has tirelessly supported truth, Islam, and the Muslims:

I ask Your Excellency kindly to look into this complaint of mine, restore what is due to me, and alleviate my suffering. May God make you a help to us and those like us and a treasure for Islam and the Muslims.

Peace and God's mercy and blessings be upon you!

12937

**SUDAN**

**DUP's Al-Mirghani Gives Views on Political Situation**

45040020 *Khartoum AL-ASHIQQA'* in Arabic  
15 Sep 87 pp 8-9

[Interview with Muhammad al-Khatim al-Mirghani: "Charge of Patronage Greatly Hurt Unionists. Conference Will Elect Party Leader and Loud Voices Will Vanish"; date and place not specified]

[Text] He is Mr Muhammad al-Khatim al-Mirghani, son of Mr Muhammad "Uthman al-Mirghani. He was born in Sankat in 1936 and received his elementary education at al-Ashraf School in north Khartoum.

He and Mr Muhammad 'Uthman al-Mirghani, leader of the Democratic Unionist Party [DUP], were "classmates" and their first teacher was the late Hasan Nujaylah.

Our interlocutor continued his studies until he qualified for the Cambridge degree examinations.

Thereafter, he turned to reading and education, taking an interest in literature and writing poetry. At an early age, our interlocutor took upon himself political functions in the Eastern Province at the request of the DUP in addition to managing the entire affairs of the Khata-miyah sect in the Eastern Province. Moreover, he was and still is a member of the party's politburo, a status he earned when the party was established through the merger of the two parties.

This biography gave AL-ASHIQQA' the chance to enter with him into the vestibules of the DUP.

In this interview, we try to present the ideas of a political and party man of considerable weight. He is also the religious leader of a movement that represents the backbone of his political party, hence our interview is three dimensional: political, partisan and religious.

[Question] The DUP has lost grounds with regard to its standing among the Sudanese people. Indeed, it has turned into an instrument of divisiveness. What, in your opinion, is the secret behind such a retreat?

[Answer] It is important for me to establish that the negative force that has devastated the DUP is the matter of "patronage."

Following the uprising this concept became synonymous with criminality. But can anyone who was between 7 and 8 years of age when the May events broke out be called a "patron?"

This legitimate question was not adequately researched and addressed, thus causing the DUP to recoil and go into turmoil. It became the only party to categorize people on the basis of whether they were patrons or not.

What is strange is that the word "patron" is elastic and does not denote any specific qualities. Rather, every person has his own interpretation of the term and some people have their own version of when it came into use and when it was dropped.

In short, the matter of "patronage" is the source of affliction in the DUP and I reckon that this slogan is meant to create division within the party.

[Question] As the political supervisor of the Eastern Province, how successful has the party been in complying with the regional balance as a national practice?

[Answer] The DUP is distinguished by the fact that it includes the entire Sudanese people and does not entertain any racial tendencies. Rather, everyone lives in peace and social harmony far away from any regional conflicts.

All the provinces are supposed to participate in the decision-making process, but they did not participate in the decision to dissolve the last coalition. Perhaps this can be justified after the convocation of the regional conferences for party reorganization in accordance with the party's vocal strength. In other words, the party's central committee will be formed in accordance with the party's vocal strength in a specific province.

Following the convocation of the regional conferences and the general conference, many changes will occur and perhaps some loud voices will vanish. I believe that the general conference has been postponed because some elements are afraid for their positions.

We in the Eastern Province expect to hold our conference at the beginning of next October and as soon as the regional conferences are over, they will turn into a pressuring force and the loud voices will not be able to delay the general conference because they will be isolated in Khartoum.

[Question] Does that mean that the party's current leadership is not qualified to manage the party's affairs?

[Answer] The current leadership is qualified, but is in need of democratic representation that will allow it to acquaint itself with party issues. Right now, it is not familiar with most party problems.

[Question] Does your answer mean that the party leadership is weak and lacks legitimacy?

[Answer] Not necessarily. However, it has been preoccupied with side issues and has paid no mind to organization. To cap it all, the general conference has not been held yet. Conciliations, enmities, machinations and oneupmanship so heavily reported in the press constitute the side issues.

[Question] The status of Mr Muhammad 'Uthman al-Mirghani within the Unionist Party has not been clearly defined. Is he the party's guardian or is he its leader? And can he be considered, in either case, the party's number one man?

[Answer] The general conference will actually elect the party leader and this will resolve the issue of who is the party's number one man.

The present politburo, which is comprised of those who were politburo members after the last conference, has buttressed its membership from the present leadership and has unanimously agreed that Mr Muhammad 'Uthman al-Mirghani is the leader of the Unionist Party.

It is possible that he will be elected party leader in the general conference.

[Question] Some political circles describe the DUP as the absent partner of the coalition. What do you say to that?

[Answer] I believe that the party has not been absent and that one-upmanship over a national coalition government was nothing but a ruse to create problems between the two parties.

As for allegations about Ummah Party hegemony, this is not true. If deficiencies in fact do exist they are created by the committees in charge of coordination between the two parties. We turned down many names from the Ummah Party. These names were not made public and the Ummah Party respected our wish. In the last instance, however, the matter came to a head and was marked by provocation.

[Question] Do you think that the unannounced reasons for the dissolution of the coalition were convincing?

[Answer] I do not deny that some mistakes were made. However, these mistakes, by both parties, tended to be more emotional than rational. The matter of selecting

the state council members from the two parties was handled with a measure of emotionalism. Both sides committed some unobjective and unjustifiable acts.

[Question] Will the government's current crisis continue as long as the unionists are disunited?

[Answer] An agreement has been reached to draw up precepts that can prevent the recurrence of such crises. Talk about crises leads us to the specifics. I hope that the causes of the crises will not recur. As for the unionists' unity, this is our central issue and all contacts taking place presently are on the right track for such a unity. Significant decisions in this regard will be announced soon.

[Question] Do you think that the unexpected travel of Mr Muhammad al-Hasan 'Abdallah Yiss may affect the course of these contacts?

[Answer] The convocation of party conferences is the decisive factor. The organizational apparatus will tie all party bases together. Moreover, all schisms within the party are not ideological, but rather whimsical. Most of them are splits between individuals rather than between bases and principles.

[Question] Is there any difficulty reconciling religious and political leadership for a man like you?

[Answer] I have not had any difficulty in reconciling the two tasks and do not see any conflict between them. Thank God, I have been successful in both leaderships since 1957.

[Question] What would you like to say to the DUP masses?

[Answer] I say to them that they bear the burden of organizing themselves and their committees for the local and regional conferences and all the way up to the general conference. This is how democracy can be put into practice. It is something that the Unionist Party lacks.

12502

## SYRIA

### Possible Assad-Arafat Reconciliation Discussed

44040028b London AL-HAWADITH in Arabic  
6 Nov 87 p 11

[Will Palestinian-Syrian Contacts Lead to a Meeting between 'Arafat and Assad?]

[Text] Sources monitoring the current contacts between Syria and the PLO have not ruled out a meeting between the Syrian President, Hafiz al-Assad and the PLO chairman, Yasir 'Arafat, in connection with the extraordinary

Arab summit in Amman. This development—according to a comment made to AL-HAWADITH by a senior Syrian official—comes in the wake of progress in discussions on working papers exchanged by Syrian and PLO emissaries.

Contacts between the two parties occurred in numerous forms and at numerous levels in the course of the past three months. The first such contacts were in the form of meetings between Syrian officers and Fatah leaders in Sidon to resolve the problem of the camps. The second development came in the form of an exchange of ideas and letters arranged by the Palestinian businessmen, Hasib al-Sabbagh, Basil 'Aqil and Walid al-Khalidi, on visits which they made to Damascus and Tunisia, and in meetings which they held with the Syrian president, Hafiz al-Assad, his deputy, 'Abd al-Halim Khaddam, and with Yasir Arafat.

The final development was the visit to Damascus by "Abu Da'ud" Muhammad Da'ud 'Awdah, a member of the revolutionary council of Fatah. Palestinian sources stated that this was the second visit in the course of a short period. Knowledgeable sources state that "Abu Da'ud" met with Syrian and Palestinian officials, and discussed issues of common interest and related subjects with them.

13286

### Minister Of Industry Discusses Efforts To Further Self-Reliance

44040048b Damascus TISHRIN in Arabic  
15 Nov 87 p 15

[Interview with Mr Antoine Jibrani, minister of industry by Samir Sarim; date and place of interview not specified]

[Text] "All Efforts Are To Be Dedicated To the Achievement of Self-Reliance, and Enterprising Activities Are To Be Reinforced and Encouraged."

"Creativity Is an All-Inclusive Cultural Process Dealing with All Aspects of Human Activity."

"Attention Is To Be Given to Scientific and Technological Research, and the People's Brain Power Is To Be Utilized."

Opposition to all phenomena and conditions that impede the realization of economic and social changes and the creation of a progressive and socialist society is one of the major goals for the National Conference on Creativity which is expected to convene. The conference will attempt to achieve that goal by giving participants, on the one hand, an opportunity to discuss various economic issues and difficulties in the various areas of business and construction. On the other hand, participants will also talk about those issues and difficulties which impede the economic and social changes that are

being sought in our pursuit of a liberal, socialist course. Considerable progress has been made in the pursuit of such a course, most of whose material and spiritual foundations have been completed.

It is true that the conference will not wave a magic wand and bring about an end to economic difficulties, but through dialogue and the interaction of all those concerned with the national economy, it will certainly find appropriate solutions to those difficulties in all areas of the economy, production, and services in accordance with the resolutions of the party's congresses and instructions from fellow countryman and leader Hafiz al-Asad. Appropriate solutions will be found to those economic difficulties by having the conference participate in implementing those solutions and assuming responsibility for them.

The Ministry of Industry is one of the ministries which is active and important in the economic field. Ministry officials and interested parties attending this conference will undoubtedly play a part in it. That is why we turned to Mr Antoine Jibran, minister of industry. We wanted to talk to him about numerous issues that we think it would be important to know about. We wanted to do something so that these issues would be among some of the ideas that would be discussed at this conference. Our interview, therefore, dealt with creativity, development, the transfer of technology, and other questions.

Our interview with the minister follows:

#### Strategic Premises In Development

[Question] President Hafiz al-Asad emphasized the need for developing individual and collective enterprising activities as well as self-reliance so that something can be done to overcome existing economic difficulties. What steps have been taken at the Ministry of Industry to translate this directive, or rather decree, into action?

[Answer] First of all, I would like to thank you for giving me this opportunity to talk about this extremely important subject a few days before the Conference on National Creativity and Self-reliance is convened. This conference will be convened on the day our country celebrates the anniversary of the blessed Corrective Movement. We hope the conference will achieve the purpose which the General Federation of Labor Unions had in mind when it called for it.

To answer your question I would like to make it clear that President Hafiz al-Asad did not issue that directive about individual and collective enterprising activities and self-reliance specifically so that we can overcome existing economic difficulties. Our teacher and leader issued those directives when we took our first steps toward development because enterprising activities and self-reliance are among the strategic premises for our development.

With his incisive vision and his aspirations for the future, our teacher and leader has viewed the revolution since its birth as "the creative explosion of all the people's energies. In as much as it is a creative explosion of the masses' energies, a revolution eliminates all impediments to development and growth."

In calling for this conference to be convened under the country's present conditions and economic difficulties, the General Federation of Labor Unions, which is at the forefront of the struggle for progress and socialism, is bearing in mind the directives and strategies which were outlined by the leading party and the leader and teacher. The federation is trying to review what has been accomplished along those lines and find out what the difficulties have been. It wants to pave the way for that society we have been striving for: a society whose characteristics were clearly described by our leader and teacher when he said, "The society we seek is one in which people are equal according to their efforts and exertions. The society we seek is one which allows people to be creative and innovative and eliminates feelings of anxiety and fear. The society we seek is a socialist society."

We are experiencing some economic difficulties. The president referred to them before, and he gave specific instructions about them. It is a fact that the conference is being convened to stress adherence to the resolutions and recommendations made by the congresses of the Arab Socialist Ba'th Party. The conference is being convened to emphasize that the directives of the party's secretary general and the president of the republic are to be implemented. It is also being convened to implement the economic resolutions issued by the 21st conference of the General Federation of Labor Unions.

At the Ministry of Industry we are inclined to adhere to the directives of our leader and teacher. We tend to work tirelessly to see to it that these directives are implemented in every production unit. This is the goal we seek. All our efforts will be devoted to the task of increasing self-reliance. We will support and provide incentives for enterprising activities, and we will oppose anyone who tries to interfere with or impede production. We will expose anyone who will try to interfere with the blossoming capabilities of our working class, and we will remove all obstacles with the help of all those who have initiative. We will work with all people who are sincere to find the suitable climate for creativity, eliminate anxiety and fear, and spread a sense of confidence among all workers. We will look for primary materials in our country, and we will try to have our own workers manufacture spare parts.

This is what we will seek. Based on what the conference will discuss and the recommendations it will issue, we will all try to get rid of the distortions which occurred in the past during the process of construction. It was these

and other distortions that led to the economic difficulties all of us are starting to feel today. These economic difficulties have become a matter of daily concern for the masses of our people.

#### The Concept of Creativity and Conditions for It

[Question] The National Conference on Creativity will be convened in a matter of days. First, how would you define the concept for us, and how would you describe the conditions for creativity and the importance of developing existing conditions for it? Second, how do you view this conference with regard to implementing the president's decree regarding the development of enterprising activities and achieving the maximum amount of self-reliance possible?

[Answer] We are going through a period of development, a period that is extremely sensitive. The course of development is determined during the early years, and any imbalance or distortion during those years is reflected in negative consequences [which linger] for many years.

Although modest steps toward development had been taken earlier, steps toward development in the country were taken in earnest under the Corrective Movement. In the seventies conditions for carrying out and achieving a process of comprehensive development were opportune. We sought industrialization, and that was correct because industrial development is the dynamic factor behind the total development of the national economy. Industry, after all, serves as the backbone for the other sectors of the economy whose development depends on industry. Development of these sectors raises the standard of the nation's revenues and per capita income. When national revenues and per capita income rise, the standard of living rises, and that gradually leads to change in the content of man's culture.

However, the process of industrial development in a developing country like ours must meet certain conditions. Among those conditions is one which requires that the strategy and orientation for this industrial development be consistent with the aspirations of our masses who want to establish an independent economy outside the framework of economic subordination. The establishment of such an independent economy should be accompanied by care and precision in selecting the appropriate technology that can realize that development.

Industrial capitalist countries, which have a long history of becoming engaged in a variety of colonialist ways to plunder developing countries, have been and are still trying to effect the economic subordination of those countries to the industrial capitalist countries to replace their direct and costly occupation of those developing countries. This is being attempted under the conditions in which national liberation movements are active. That is why imperialist circles are working under a variety of

conditions to continue linking the economies of developing countries to the world's capitalist markets. They want to continue using new terms to describe their colonialist plunder of these countries.

Reactionaries, who are used in this regard by industrial capitalist countries, try to interfere with development operations, allowing only those operations which are distorted and linked to the world's capitalist market.

The leader has been instructing us to try becoming self-reliant. He was unequivocal when he said, "I think that we have to put the slogan of self-reliance into action so that we can meet our needs by what we produce nationally." Self-reliance requires research and inquiry; it requires that horizons of creativity be opened for the creative masses of our people.

Creativity is an all-inclusive cultural process which involves all aspects of human activity. In our line of work creativity involves providing the suitable conditions for the transfer, use, and development of technology. It also involves solving technical problems which result from transferring, using, and developing technology and creating domestic technology.

Our present age is considered the age of a scientific and technological revolution. It is characterized by the dynamic quality of its developments and the interrelationships between science and technology in the field of industrial development. That is why it is essential for a country like ours with conditions like ours to solve problems which arise in the course of development by adopting science and technology, following scientific methods and production techniques which are products of this development in science and technology, and by adopting technical methods and applications as well as technical knowledge. That requires talent, creative ideas, and the creation of objective conditions [which are conducive to] creativity.

Under current conditions there have been numerous enterprising activities and numerous instances of creativity. Our workers have most certainly not held back at all on their enterprising activities. In fact, they offered much in that regard by providing solutions to some technical problems. They also came up with new and less costly ways which rely more on primary materials and human resources which are available to us. Under such conditions, however, we find that a new effort must be made. And this is what we hope to achieve through this conference.

#### Freedom From The Bonds Of Exploitation Is The Aim Of Our Development

[Question] And what about self-reliance? What are its components and conditions?

[Answer] The starting point for the socialist-oriented economic development to which our people aspire is independence. Our people want independent development which seeks freedom from all forms of ties with colonialist exploitation. Our development, therefore, is based on self-reliance.

The development to which we aspire makes no distinction between development and independence. It does not give away our national sovereignty under the excuse of needing the assistance of the industrially advanced countries. To us, economic and social development is a process of total liberation for the country and for the citizen as well. It is also simultaneously a process of political, economic, and social liberation. This process requires the mobilization of all the country's resources and the energies of all its citizens as well.

In that context we can add that self-reliance does not mean self-sufficiency or preoccupation with the self. Self-sufficiency means that the country is to produce everything it needs and consume only those goods which it produces. But that is practically impossible; it is a very costly social proposition.

We want to stay in touch with the outside world. We want to work with the outside world, and we want to trade with it. At the same time we want to interact with human civilization. We want equal opportunity for our international trade, and we want development assistance to be unconditional. We want to have relations with various parties, but we want to have closer ties to the socialist countries in particular. We want to reject all relations of subordination.

What we are saying in this review is that self-reliance is above all a state of mind and a conviction that we can achieve the development we want to have. We have to look within ourselves for the means, methods and objectives of that development. The self-reliant state of mind offers an alternative to the subordinate state of mind which manifests itself in scorn for one's own abilities. A nation with a subordinate state of mind will face any problem by turning to the advanced countries and looking for ready solutions there.

Our self-reliant state of mind stems from the confidence we have in ourselves and in the people. It stems from the respect we have for our cultural heritage and from our people's ability to be creative and inventive. We believe that sincere intellectual effort and scientific work whose aim is to achieve effective solutions to the problems of production must become extremely important because their aim is to find solutions which are products of our own available capabilities and resources. Our own resources can find these solutions by using the appropriate methods and tools of science and technology.

#### Action Required Against All Forms Of Wasteful And Useless Spending And Opulence

[Question] You spoke about the state of mind that lies behind self-reliance. What effect does self-reliance have in society on existing social and economic relations?

[Answer] The course of self-reliance assumes that non-contributing social groups who tie their interests to the activities of new colonialism and multi-national companies are to be liquidated. These groups promote everything that is western, arrogating a significant part of our national income so they can increase their fortunes by speculating, charging commissions and using other such methods.

These groups make no contributions to the real national product, but they do get a sizable part of it. They propagate in society examples of greed and the use of every method to amass money. They also spread a consumer fever in the country, and they provoke our working populace and dampen their enthusiasm for development. They resist austerity and consumer awareness measures, and they undermine the value of work and of doing one's duty. These non-contributing groups spread habits and modes of conduct which are quite alien to our own habits, modes of conduct and aspirations.

This orientation prescribes a tireless effort against all manifestations of wasteful and useless spending and opulence. Resources are to be utilized economically in accordance with priorities which meet society's basic needs. This orientation also prescribes that the forces of production in all fields be encouraged and that available natural resources be utilized in an ideal fashion. We are to go back to using our own means and methods and encouraging the consumption of national materials and goods. We must fight the consumption of smuggled and imported goods, encourage national production, protect our national industries, develop the crafts, and search for national solutions to problems that emerge here and there on all levels.

This orientation requires the effort of all citizens and the use of all available resources in both the public or private sectors. Such an effort requires the creation of a climate of confidence in the productive private sector. We support national production in both the private and public sectors. Private sector factories and workshops are part of our national resources, and they ought to be operated at full capacity. Private sector funds are part of our national resources, and they must, therefore, be put to the best possible use in productive work. Individuals employed in the private sector contribute part of the total effort put out by our people. We look forward to seeing their efforts being channeled and mobilized in a manner that would serve the interests of the country's progress and development. We support productive citizens wherever they may be.

That is where the idea of joint economic action between the public sector and the private sector came from. Leadership wanted that step to create a climate of confidence between the two sectors and to channel their efforts into fruitful and productive labor.

The need to be engaged in productive labor is one of a citizen's basic needs. It satisfies a natural urge and provides the means by which that citizen earns a living. Involvement in productive labor confirms a citizen's position in society as a useful individual. Accordingly, it strengthens his feelings of belonging to that society.

Looking at this from another angle, productive labor increases national production and enables society to accumulate what is necessary to continue the development process. A productive citizen is one who produces more goods than he consumes. Based on this assessment of a citizen's role, the first priority in any development plan is to provide productive labor for all those who are able. The people's efforts can thus be mobilized at the highest level so that everyone can contribute to the development of society.

We can thus achieve the situation described by the leader and teacher in the statement: "We must achieve a balance between production and consumption and reach the point where we are producing more than we are consuming."

#### **The Required All-Inclusive Cultural Condition Must Be Attained**

[Question] Do you think that creativity in our country and what has been achieved in some branches of industry, such as manufacturing spare parts or establishing production lines, represent the creative condition that is required, or does the required creativity assume a different form? If what is required is a different form of creativity, what is that form? If the creativity we have now is the creativity that is required, what are the material, productive and legal requirements for developing it further and establishing constant principles for it?

[Answer] Creative attempts which were made in the area of manufacturing spare parts and introducing a few changes in production lines are undoubtedly important and must be developed further.

But we do not look at this matter exclusively from this perspective. The subject at hand is much greater than that. The condition that is required is an all-inclusive cultural condition that must be attained. It is related to the condition of our culture, the future of our development, and our general attitude toward contemporary life.

And that is tied to the problem of technology transfer. Our progress is tied to that. Should we acquire ready technology and ready solutions instead of making the effort and spending the money to look for innovative solutions that are compatible with our circumstances?

Technology transfer is one of the most important issues that developing countries face in the course of development. It is a subject that raises numerous other issues which are associated with it, such as the possibility of acquiring technology, the cost of technology transfer, and the suitability of imported technology to the conditions of our country.

Technologically advanced countries try to use the knowledge they have to reinforce the developing countries' subordination to them. Under certain conditions which have to do with intellectual subordination, lack of self-confidence, or interests, some of these developing countries also try to continue maintaining a technological connection between themselves and the West.

It must be clear that the West does not give us everything. What the West gives, it does sparingly in accordance with its interests. It is always trying to re-divide international labor to serve its own interests. Gradually, the West would do away with costly industries that are labor intensive and pollute the environment. The West wants to send those industries into the developing countries and keep the more economically profitable and sophisticated industries to itself.

On the other hand, imported technology is not very suitable to the local situation. Not everything that is technically advanced is economically and socially superior. Every subject has to be dealt with separately.

The most dangerous aspect of technology transfer is its tendency to displace local traditional technology without proving the latter to be unsuitable or offering the best alternative to local methods.

We support the transfer of technology from abroad—a technology that allows the expansion of our local capabilities, a technology that our people can absorb, develop, and use to create local technology.

This is the creativity we are talking about. It is a method of inquiry, a way of life, and a way of dealing with unexpected problems.

We must therefore turn toward scientific and technological research, and we must take full advantage of the brain power that is available to us from the masses of our people.

Then, what is required now is that we turn our attention to devising a national policy for scientific and technological research. The Center for Scientific Research, the Nuclear Energy Authority, and other institutions have taken new steps in that regard. But what is required is that all efforts be channeled into finding the natural climate for enterprising activities and for creativity.

### Sharp Decline in Volume of Imports

44040028a London *AL-HAWADITH* in Arabic  
16 Oct 87 p 42

[Text] Recent Syrian Trade statistics show a sharp decline in the volume of imports. The decline reflects the desire of the government to conserve foreign currency and to rationalize spending. These figures, which cover the first half of 1986, also reveal a significant drop in the volume of oil imported from Iran in the aforementioned period.

The policy of rationalizing spending led to a \$223 million reduction in the trade deficit in the first half of last year. The value of imports totalled \$899 million during this period in comparison to \$4 billion in 1985.

The value of exports remained excellent despite the collapse of world oil prices. It should be noted that oil and petroleum products, valued at \$676 million, constituted 55 percent of all Syrian exports in the first half of 1986.

The Syrian statistics show that Iran was the source of one half of Syria's oil imports in the first half of 1986, and that Libya, Kuwait and Algeria were the source of the other half of Syria's oil imports.

It is well known that the policy of rationalizing imports continued throughout 1986; the foreign currency crisis experienced by Syria in 1986 was, however, mitigated by the increase in oil prices in 1987, and the production start-up at the Dayr al-Zawr wells.

13286

### Euphrates Basin Projects Discussed

44040048a Damascus *TISHRIN* in Arabic  
12 Nov 87 pp 1, 11

[Excerpt] SANA—Damascus—The Supreme Authority for Euphrates Projects held a meeting that was chaired by Prime Minister Mahmud al-Zu'bi. The meeting, which was held yesterday at 12:00 noon, was attended by fellow Syrian Ahmad Qablan, member of the Regional Command and chief of the Regional Farmers' Bureau. It was attended by the deputy prime minister for services affairs and by the deputy prime minister for economic affairs. The meeting was also attended by ministers and the chiefs of institutions and organizations that are members of the Supreme Authority.

The meeting was also attended by the general managers of companies and institutions operating their businesses in the Euphrates basin.

The current status of irrigation and land reclamation projects in the Euphrates basin was evaluated at that meeting.

After the discussion the Supreme Authority made a number of decisions that focused on shortening the execution period for the 52 km lower principal canal project in al-Balikh basin. The decisions were made in light of available and obtainable resources. The authority also decided to speed up the pace of work in the land reclamation project for the remainder of Section One of al-Balikh basin, an area of 10,000 hectares. That would lead to the eventual introduction of these areas into the field of agricultural investment, starting with the next summer season and continuing till the end of 1988. The Supreme Authority also decided to step up the pace of work at the plant which manufactures plastic sheets and to make sure that the material for [manufacturing] insulation filler is available from local alternatives so that the need to import this substance can be eliminated.

To achieve the results that are being sought by these decisions a committee headed by the minister of irrigation was formed. That committee will draw up the physical program and timetable which are needed for that purpose.

At that meeting the Supreme Authority also reviewed the status of operations and production at the plant for pre-fabricated pipes and siphons. The authority also considered the means which could lead to coordinating the use of machinery owned by public works companies. These machines and all their capabilities can thus be utilized in land reclamation operations.

The Supreme Authority for Euphrates Projects will resume its meeting this morning, Thursday, to discuss topics which have to do with irrigation and land reclamation and are listed on its agenda.

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### TUNISIA

#### Olive Oil Exports for EEC

45040044 Paris *AL-MUSTAQBAL* in Arabic  
12 Dec 87 p 32

Information coming from the EEC indicated that Tunisia will be allowed to export 6000 tons of olive oil to the European market on favorable terms.

As is well known, olive oil is considered one of Tunisia's most important export products. Tunisia faced difficulties trying to export it following the admission of Spain and Portugal to the EEC.

### UNITED ARAB EMIRATES

#### Moves To Promote Inter-Arab Trade

44000019b Dubayy *KHALEEJ TIMES* in English  
29 Nov 87 p 11

[Article by K.P. Nayar]

[Text] Dubai, the biggest importer per capita in the world, is taking the initiative to stimulate inter-Arab trade.

A mission from the emirate to three Arab countries next month is seen in pan-Arab economic circles as a bold initiative to encourage regional self-sufficiency and protect the Arab world from the vagaries of international trade.

The mission comes soon after a decision by the Inter-Arab Investment Guarantee Corporation (IAIGC) to provide guarantee credits for exports within the Arab world.

At present, trade among the 21 members of the Arab League amounts to a mere six per cent of their total exports and nine per cent of their imports. The Dubai delegation will seek steps to stimulate two-way trade and examine the possibility of UAE investment as well as joint ventures in the countries it is visiting.

The team, led by Dubai Chamber of Commerce president Saeed Juma Al Nabooda, will first visit Egypt, with which the UAE and other AGCC states resumed diplomatic relations this month. Later, the team will go to Tunisia and Morocco.

The readmission of Egypt into the Arab fold and a change in the presidency in Tunisia providing for greater stability have created the right political environment for a mission of this kind to these Arab states.

Tunisia and Egypt have both been countries of tremendous interest to local businessmen seeking new openings for their enterprise, but political uncertainties have prevented them from taking any major initiatives in either country in recent years.

In the case of Egypt, it is understood that the Dubai chamber delegation's visit will be followed by a mission from the UAE Federation of Chambers of Commerce and Industry (FCCI) soon. FCCI vice-president Hamad Bu Shehab has already visited Egypt as head of a delegation from the Arab Contractors' Union which also included a prominent local businessman.

As it is, the Dubai chamber delegation will include the secretary-general of FCCI, Khalid Al Bassam. Other delegates have not yet been named, but it is believed that the seven member group will include leaders of Dubai's business community.

The only previous Dubai chamber missions to Arab countries have been to Qatar about a year ago and to Iraq more than two years ago. Reflecting the general sluggishness in inter-Arab trade, exchange of trade visits among Arab countries have been few and far between.

If the Dubai team's visit results in more trade, exporters on both sides will be able to take advantage of a new export credit guarantee scheme floated by IAIGC, the Kuwait-based pan-Arab body which earlier played a pioneering role in guaranteeing inter-Arab investment.

The scheme is now being marketed among banks in the Middle East as well as Arab banks outside the region. IAIGC provides cover for exporters against delays in payment, bankruptcy of consignees, failure of importers to accept goods, and confiscation of consignments either by importing country or those through which goods are in transit.

War and restrictions on transfer of funds in foreign currency are also covered. All these are problems that have plagued exporters in Dubai and most other places in the Arab world.

To be eligible for the new scheme, the deals guaranteed must be between Arab states, payments must be made within six months and at least 40 per cent of the value added to good exported under the scheme must be of Arab origin, IAIGC officials in Kuwait told KHALEEJ TIMES.

Lack of guarantee facilities had previously been cited by Arab League sources as a major reason for the low level of trade among countries in this region. IAIGC officials said guarantee premiums were between 0.8 and 1.6 per cent of the value of exports.

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#### Maritime Trade With Iran Promoted

44000019c Dubayy KHALEEJ TIMES in English  
6 Dec 87 p 11

[Text] As a result of the heavy flow of commerce and people between Iran and the UAE a new partnership has come into being to tap this lucrative market.

A national flag carrier from Teheran has set up a joint venture with UAE shipping company to cut down on the long queues of people waiting for passages to and from Iran to the Emirates and also carry some of the increasing tonnage of goods moving between the countries.

Sharaf Shipping Agency of Sharjah and Valfajre-8 Shipping Company of Teheran, an affiliate of the Islamic Republic of Iran Shipping Lines, have set up the Oasis Freight Agency to take a larger share of both segments of the traffic by sea.

Starting this week the 1,300 dwt Hormoz-1 a passenger-cum ro-ro vessel will be making an aggressive bid to carry 20,000 passengers between Bandar Abbas and Sharjah and around 100,000 tons of cargo annually.

A spokesman for the joint venture told KHALEEJ TIMES yesterday, "The service as such is not new but its presence in the market has not been aggressive, particularly on the passenger front, considering we are the only shipping link between the countries."

The vessel which has a passenger capacity of 450 and can carry 450 tons will make weekly sailing initially, but is expected to double the frequency in the near future.

Complementing the service will be three other ro-ro ships of 750-ton capacity each, the Hormoz-24, 25 and 26. These vessels will be plying subject to load and are not expected to be a scheduled service, the spokesman added.

Sharaf Shipping, according to him, handles the largest volume of cargo into the country as a single agency house having booked 800,000 tons of a total 2.8 million tons of general cargo last year. "We will be using this expertise to handle around 100,000 tons annually, moving cargo coming from Europe and the Far East. There is no space available on regular lines and we think there is vast potential."

Already the Hormoz-1, the representative of Valfajre-8 said, was carrying much of the perishables and light manufactures to Sharjah every week as the two-way flow increased steadily.

As for passengers the new drive launched by the firm is expected to result in full loads with fares between Sharjah and Bandar Abbas priced competitively against air fares. He pointed out the 11 flights a week to Sharjah and Dubai from Teheran, Bandar Abbas and Shiraz were booked weeks in advance, resulting in long delays both says.

#### Bookings Difficult

"Passengers in transit from Europe to Iran and those coming from the Islamic Republic find bookings are difficult on the national airline. We are launching a promotion campaign in Iran with the various travel agents to tap this huge overflow."

The passage between Bandar Abbas and Sharjah takes eight hours but Oasis feels the facilities provided for the nighttime service should make up for the longer sea route. The firm is also hopeful of getting the transit visit facility, now restricted to airport arrivals, extended to the shipping service also. "This would see the passenger service take off in a big way," the spokesman added.

The other edge is the baggage allowance of 50kg per passenger which is more than double that allowed by the airline. Given the increasing number of sea passengers the authorities are said to have promised more facilities in coming months.

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#### China Seeking Petrochemical Cooperation With Emirates

44000019 Dubayy *KHALEEJ TIMES* in English  
6 Dec 87 p 11

[Text] China is pushing cooperation in petrochemicals with Gulf states and as a beginning is seeking regular supplies of raw materials like solvents and monomers from the region.

A high-level delegation from the country's trade and investment bodies as also the China Petrochemicals International Company (CPIC) yesterday held a series of discussions in Dubai and Sharjah on ways of expanding economic relations between the UAE and China, particularly in the oil sector.

The seven-member team was making a brief stopover in the emirates after a visit to Saudi Arabia which is seen as the best partner in this effort.

Wang Zhenhua, president of CPIC, told *KHALEEJ TIMES* yesterday that wide-ranging talks on collaboration in refining and petrochemicals were held with Saudi officials after visits to Yanbu and Jubail. "As a first step we would like to buy raw materials for the petrochemicals industry from the Gulf and this was one of the main issues discussed in Saudi Arabia."

It is seeking regular supplies of solvents and monomers of which China is a major importer, its domestic production being far from adequate for its requirements.

"In the UAE we see light petrochemical industries as the best avenue of cooperation," Mr Wang said, listing factories utilising wax and other byproducts as possible areas for joint ventures. "We are open to cooperation which would see foreign entrepreneurs investing in China or joint projects that are better based here to use available raw materials."

So far cooperation in petrochemicals has been confined to the US, according to the CPIC president who said serious efforts were now under way to tap the Gulf potential.

Taking part in the discussions at the Dubai Chamber of Commerce and Industry was Mirza Al Sayegh, deputy chairman of the Dubai Natural Gas Company (Dugas) and director of Oilfields Supply Centre. Mr Sayegh told the mission that private and government organisations in the UAE had traditionally sought cooperation in the oil sector with Europe and the US which had clear cut laws.

However, the regulations governing joint ventures with China were not very well known in this region, the Dugas official pointed out, and called for intensive discussions to work out a programme of cooperation.

Jia Shi, chairman of the China Council for the Promotion of International Trade who is leading the delegation, said a number of major trading establishments in China were scheduled to open offices in Dubai in view of the emirate's importance in the regional economy.

Presiding over the meeting chamber president Saeed Juma Al Nabooda noted that ties with China had grown in strength recently particularly in the wake of a steady exchange of trade missions between the two countries. Imports from China have risen from Dh403.85 million in 1985 to Dh470.63 million last year while in the first half of 1987 the figure was Dh278.21 million.

Making an unusual departure from trade discussions Mr Nabooda appealed to China to mediate in the Gulf war which was affecting trade in the region. "We have a

common interest in ending this conflict," the chamber chief emphasised and urged the Chinese to use their influence with the warring nations to bring an end to the war.

In Sharjah director-general of the Foreign Investment Administration of the People's Republic Liu Yimin called for greater investment from the Gulf and said under China's open-door policy 8,900 foreign companies had been set up there.

The discussions chaired by president of the Sharjah Chamber Shaikh Mohammed bin Salem Al Qasimi centred on boosting trade exchanges between the emirate and China.

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## AFGHANISTAN

### East Bloc, Soviet Comments on Intervention

46000044 [Editorial Report] Munich daily SUED-DEUTSCHE ZEITUNG in German 24 November 1987 publishes a 1,500 word commentary by correspondent Olaf Ihlau on speculations about Soviet withdrawal from Afghanistan. The article carries the title of "Fear of a Lebanon in the Hindukush," and is subtitled "Why, after 10 years of bloody struggle, there is no reconciliation in sight, but the danger of an even worse civil war." The article includes a large photograph of Gorbachev and Najibullah during their November visit. After discussing the basis for fear of civil war, Ihlau cites unnamed East Bloc and Soviet sources in Kabul:

"In Soviet circles in Kabul these days, the intervention is openly being called 'our former leaders' mistake, that we're having to pay bitterly for'—with billions of rubles squandered, 20,000 Soviet soldiers dead so far, and 60 or so currently being killed each month.

"The opinion shift in Kabul's East Bloc community regarding the future of the Afghan war is as surprising as it is evident. Two years ago, Soviet diplomats, referring to their experiences gained from decades of struggle with Soviet Asian Islamic insurgents, complacently boasted: 'We have time; the counterrevolution can slow down development, but it can't stop it anymore.' Enthusiastic GDR diplomats just as confidently announced, 'It's not a case of annexing Afghanistan into the Soviet Union, but a case of making it into an example of harmony between socialism and Islam, which can make itself felt throughout the Islamic world.'"

Such international optimism has obviously been rubbed raw by the stubborn Afghan resistance. Today, Gorbachev's conviction, which he is said to have hammered home to Najibullah during this visit to Moscow in early November, has replaced this optimism and is referred to as a new article of faith: that revolutions cannot long be kept alive artificially by foreign assistance and that 'the Afghan revolution must eventually be in a position to defend itself.'

"It is said that a massive troop withdrawal will begin in earnest even before the 10th anniversary of the Kabul revolution in April 1988. The word among Soviet representatives is, 'Gorbachev will pull it off,' even though the generals have not yet received the orders to that effect from Moscow. People are drawing somewhat specious historical parallels with the international brigades' engagement in Spain. A horrible and shameful ending—even one like America's undignified finale in Saigon—is not being ruled out."

"Even the obvious assumption that this could mean not only the downfall of the revolutionary regime, but also a takeover by the Islamic fundamentalists, no longer seems to really frighten the superpower. It can hardly be

worse under a predominantly Sunni Afghan state than in Shi'ite Iran,' a Soviet regional expert coldly comments. 'What is important now is that we go quickly and leave as few of us as we can, because the outbreak of anti-Soviet feeling after we withdraw is going to be without mercy.' The Soviets are still haunted by the nightmare of the horrible uprising in Herat seven years ago, when a mob stabbed and butchered dozens of Soviet advisors during a bloody orgy."

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### Diplomat Reportedly Reveals Daily Soviet Death Toll

46280001 Rome LA REPUBBLICA in Italian  
25 Nov 87 p 12

[Article: "Afghanistan: 40 Soviet Soldiers Die Every Day"]

[Text] Islamabad—A former diplomat in Moscow's embassy at Kabul declared that Soviet military losses in Afghanistan have risen in recent months, and that the daily average is presently from 30 to 40 dead and wounded. This information was made known by Western diplomats in Islamabad.

The Soviet official, whose identity and position were not stated, confided these figures last week to a "good source" in the Afghan capital, according to the diplomats' statements.

In 8 years of combatting the Afghan resistance, 12,000 to 15,000 Soviet soldiers have been killed, according to estimates brought back to Islamabad by Western diplomats. An independent inquiry recently conducted by Afghan refugees in Pakistan estimates Afghan losses at around a million and a half persons.

Soviet losses rose after the Kabul resistance was equipped with Stinger missiles (American made) and Blowpipe launchers (British made), which have forced the Soviet army to reduce its air cover.

Meanwhile, news arrived in Islamabad of new victories by the guerrillas. In the last 2 weeks, the Moslem rebels have attacked several government bases east of Kabul and have shifted toward the mountains to the southwest. On 2 and 4 November, the guerrillas raided commanding Soviet positions at Paghman, on whose plain intense combat between Mujahidin and Soviet/Afghan forces took place on Sunday.

13070

**Lowgar Commander Interviewed on Education, Economy, War**  
*46190002 Paris LES NOUVELLES D'AFGHANISTAN  
in French Sep 87 pp 8-10*

[Text] Doctor Fazlullah Mojaddedi is 29 years old. He attended elementary and secondary schools in Baraki Barak, in Lowgar, before passing the entrance examination to the medical school of the University of Kabul. He was in his second year of medical school when the communists carried out their coup. He left Kabul for Pakistan 20 days later, for he felt threatened, as he already was an opponent of the communist party.

He returned to Lowgar early in 1979 in order to organize the Jam'i'at guerrillas. He now has 2,000 armed Mujaheddin and considerable influence in the Baraki Rajan, Baraki Barak, Padkhvab and Charkh regions. He was willing to answer the questions of one of our correspondents.

[Question] What is the distribution of forces among guerrilla, Russian and government forces in Lowgar Province?

[Answer] Some sections of Lowgar, such as Baraki Barak, Baraki Rajan, Padkhvab, Chelazay, Chamazar, Charkh, Abjush and Kulangar, are controlled by the resistance. Other regions, such as Pol-e'Alam, free Mohammad Agha, Padkhvab, Shaneh and Altamur, are controlled by the Russian and governmental forces. Finally, some regions, such as the deserts, the Kabul, Pol-e' Alam road and Gardez, are in dispute and often are the theater of operations.

**Improve Health and Education**

[Question] What is the task of the resistance in the regions under its control?

[Answer] The primary task of the resistance is to ensure security on a military and police level. It sometimes takes care of the administrative tasks, tries to alleviate injustices and make life more bearable for the people who remained and did not flee to Pakistan. We are trying to set up health facilities, but they are very inadequate. We are also setting up schools for the young people.

[Question] Precisely, what is the highest grade taught by these schools, which are being subsidized by AFRANE and the European Guild of the RAID, and what is their program?

[Answer] As of now, these schools go as far as the first five elementary grades and, as time goes by, we will try to increase the number of grades; the program consists of teaching our children to read and write, and also includes arithmetic for the youngest children and a little bit of geography, history, religion and sports for the older ones. Thanks to those schools, not only will our children know how to read and write, but in addition they will

know who they are and what is their place in the world; they will know the world and will learn the reasons for our struggle against the communists and the Soviet invader.

[Question] How is the morale of the Mujaheddin in view of the ongoing war?

[Answer] The Mujaheddin's morale is very good; they have faith in the righteousness of their cause and they know that they soon will prevail.

**We Welcome Guests From 15 Provinces**

[Question] What is the economic situation of Lowgar?

[Answer] The economy of Lowgar is far from brilliant. The drought of the last 2 years was very detrimental to the economy, for the agricultural output dropped, especially for wheat. Dry farming crops (there are two methods for growing wheat: dry and irrigated farming) yielded practically nothing and irrigated farming crops gave very poor results; many farmers ate their seeds and had to borrow in order to farm their land. The regions close to the fighting or located around governmental and Russian centers practically ceased their activities: No more shops, no more farmers, no more craftsmen; inhabitants emigrated to other parts of Lowgar or sought refuge in Pakistan. Since Lowgar is located on the outskirts of Kabul, many people held jobs in Kabul as civil servants or merchants. Almost all of them have stopped their activities in the capital and find themselves in Lowgar deprived of resources. Lowgar is no longer exporting its food. Thus, trade with other regions has stopped, except for grapes which are sold in Kabul, but its cultivation is limited to the Charkh, Zarghunshahr, and Padkhvab-e Shaneh regions. In addition to the land devastated by the war, many domestic and plow animals have been killed by air raids or systematically slaughtered by the Soviet soldiers during their attacks against the villages. Because of this, the price of plow animals has risen sharply over the past few years. A family living precariously experiences much difficulty farming its land when it loses its animals. It is forced to borrow in order to have money. Furthermore, Lowgar receives guests hailing from 15 provinces of Afghanistan; they cross it to go home with caravans of weapons or they are going to Pakistan. All these people get their supplies in Lowgar, barley (for the horses) and food for themselves. This causes the food reserves of the region to decrease and prices to rise. This benefits only a few merchants and no one else. For the first time this spring, Lowgar's inhabitants purchased wheat from Pakistan in order to lower market prices. In short, Lowgar is going through a very bad economic period.

[Question] How are the Lowgar inhabitants managing in this kind of situation?

[Answer] There are four categories of people in Lowgar:

those (5 to 10 percent) who make enough money from farming and who sell what they do not need; they have a decent standard of living;

those who grow just enough food for themselves (15 percent);

the people who are strong enough to work someone else's land and the craftsmen (shopkeeper, shoemaker, carpenter, mason, blacksmith, etc) (40 percent); they only have essential goods; and

35 to 40 percent have lost the head of the family (martyr) and have no one working; for these people, their best days are the ones when they manage to eat; they live only by mutual aid.

Many people withstand the vicissitudes of the war and do not seek refuge in Pakistan, but difficulties force them to leave the land of their origin.

### Three Very Distinct Regions

[Question] What is the percentage of people who left their region and sought refuge either inside the country or in Pakistan?

[Answer] The refugees' map is divided in three very distinct topographic regions and the percentage of refugees varies according to geographic locations.

a) One hundred percent of the people in the mountainous regions have left, for food does not reach there and life is practically impossible for civilians. However, these regions are very good bases for the Mujahiddin who, from there, can resist possible Soviet attacks. They include the following: Abjush, Bad Qowl, Spas, Abchakan, Dobandi, Sorkhab, and Azrow.

b) The plains are irrigated by the karez (underground canals), source water and meltwater; agriculture in this territory is more or less developed. Approximately 50 percent of its population took refuge inside the country or in Pakistan. The resistance did not settle there, for the landscape is very disadvantageous and the Mujahidin cannot resist enemy attacks; they are often ambushed by the Soviets. These regions include: The villages of Altamor, Baydak, Choni, Padkhvab-e Shaneh, Qala Wazir, Khoshi, Sraghondi, Kharwar, Zarghunshahr, Barg, Kandaw, Zarezhay, Khoshi, Abbazak, Babus, Showlgar Kalay Abparan, Dashtak and Namuryaz.

c) The green regions irrigated by the Lowgar and Cherkah rivers. Refugees from the region as a whole number 20 percent, their number varies from one section to the next. Agriculture there is well developed. Due to its location, forests and greenery, the region is very favorable to the activities of the resistance. The following can be listed: Kolanger, Pol-e Alam, the Baraki Barak district (5 percent), the Charkh valley (no refugees) and the Mohammad Agha district (60 percent of refugees). It

can be added that the last region listed tries, more or less, to meet the needs of the Lowgar as a whole, for the agricultural activity of the regions near the war is more than curtailed, the crops being often burned by the Russians and their allies.

### A Single Physician

[Question] I visited a small clinic ran by a doctor and a medical staff; it had just been equipped with a very rudimentary lab. What is the medical situation in the Lowgar?

[Answer] He is the only doctor having studied medicine in a college. In addition, we have people medically "trained" in Peshawar and two people who ended up becoming surgeons by sheer practice. On the whole, the ongoing years of war take their toll on the people's health. On the one hand we have a shortage of doctors and medicines. On the other, due to the ever more noticeable weakness of the economy, food is becoming increasingly more expensive and only 5 to 10 percent of the people can afford to buy medicines and be treated. Infantile mortality is rising. It is becoming more and more difficult to send patients to Kabul, for their blood is taken without their consent and they run the risk of being taken to the army or to prison; the same is true for Pakistan, for the shortcut roads between the Logar and Pakistan have become impassable due to the frequent enemy ambushes and anti-personal mines. The other itineraries take too long for emergency cases and the patients often die while being transported. But we do not give up, we are going to enlarge the clinic and we are inviting other doctors to come to work in our country.

[Question] What do you think of the unilateral cease-fire decreed by the Kabul government?

[Answer] The cease-fire proposed by the Kabul government is nothing more than propaganda aimed at international public opinion, for, since making the announcement, the Russians and the government supporters have never stopped putting our country to fire and sword (I witnessed a Soviet air raid which caused much destruction and during which two little girls, 6 and 9 years old were killed). This cease-fire is meaningless as long as the soldiers of the Red Army occupy our country and flout our beliefs and customs. They tried to divide the resistance with this scheme, but the opposite occurred. The resistance became even more united. As for me, I totally agree with the joint declaration of the seven party chiefs, made in Peshawar on 17 January 1987; we want to reject the cease-fire and formulate counterproposals.

We will fight as long as it will be necessary in order to oust the Soviet invader and bring a stop to the activities of the bloody government which they installed.

[Question] How do you see the future of Afghanistan once you win the war?

[Answer] The future of Afghanistan will be healthy. Our Muslim people are fighting courageously against the Soviet despot. Following the victory of our jihad, we will have, God willing, a brilliant future, for the whole world has become aware of the strategic importance of Afghanistan in Asia.

[Question] Do you have a special comment as a conclusion to our meeting?

[Answer] The free world has a responsibility toward us. Our struggle is not for us alone, but we are also fighting for the world which is still free. We are not only trying to oust the invader from our land, we are also barring the road of the Soviet empire's expansionism.

We will fight to the end. Do not abandon us for two gas contracts or a few good ephemeral business ventures, for business ventures have preceded the disagreeable noise of boots. Do not close your eyes on the Afghans' genocide. Hear our cry of pain.

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## INDIA

### Foreign Affairs Panel Hears Report on U.S. Visit 46001100 New Delhi PATRIOT in English 28 Oct 87 p 1

[Text] The US leaders see a greater role for India in the region and beyond, and have realised the gravity of the implications of Pakistan's nuclear programme, Prime Minister Rajiv Gandhi told the External Affairs Ministry's Parliamentary Consultative Committee on Tuesday.

The committee, which was apprised of the Prime Minister's visit to the US last week and his talks with President Reagan, Vice-President George Bush and Congressional leaders, was told the US has accepted India's view that Pakistan's nuclear programme was not simply a bilateral matter.

The US Congressmen and senators, with whom the Prime Minister had an hour-long meeting, also were genuinely concerned at the weapons' orientation of Pakistan's nuclear programme, the committee was told.

During his discussions, the Prime Minister had unequivocally put forward India's views on Pakistan's nuclear programme, and made it clear that it had wider implications, not simply bilateral or regional.

In response to a question from a member, Mr Gandhi apprised the members of the possibilities of defence purchases from the US, and said during his visit preliminary exchanges were held about the equipment and technology "not available elsewhere".

In response to another question on the Nuclear Non-Proliferation Treaty, the Prime Minister made it very clear that India's stand has not changed.

India's foreign policy was not episodic and had a continuity from the first days of independence. Minister of State for External Affairs Natwar Singh told the committee.

The Prime Minister took the opportunity to assure the members that there would be no compromise with the country's security.

Mr Natwar Singh summed up the Prime Minister's visit to the US and his talks with the American leaders as "very fruitful and very cordial" and said the visit had carried the bilateral Indo-US relations forward in the right direction.

Earlier in New York, Mr Gandhi had met a group of eminent leaders of the US business community, who while welcoming the policy of liberalisation and end of industrial controls had expressed the view that India's procedures were still quite "dilatory".

While agreeing to look into these constraints, the Prime Minister had made it clear to them that foreign investment was required in India only in the high-technology areas, where the country lacked both funds and expertise.

Besides the Prime Minister's visit to the US and his participation in the Commonwealth summit at Vancouver, the consultative committee also discussed his talks with Japanese Premier Yasuhiro Nakasone and Holland Premier Lubbers during stop-overs at Tokyo and Amsterdam, developments in Fiji and Sri Lanka.

Quoting the Prime Minister's succinct remark, Mr Natwar Singh told the committee that the Commonwealth summit was "a resounding success". Before the summit, the general impression was that South Africa would not be a central issue before the Commonwealth heads of Government and State. But Mr Gandhi had taken a leading role on this issue and as a result the summit set up an eight-member Foreign Ministers' Committee to study the question of financial flows into South Africa from the developed countries, Mr Natwar Singh told the committee.

The Foreign Ministers' Committee would evaluate the situation since after the Nassau and London summits of the Commonwealth, and look into loopholes that exist in the sanctions against the racist regime, he explained.

The Prime Minister himself observed before the consultative committee that after Nassau summit the Commonwealth countries had been much more active on the South African issue, and the process has been "further accentuated and heightened at Vancouver summit".

The Prime Minister told the committee that it was important that all realised that sanctions and direct measures were not the only way to bring about the changes in South Africa. However, they were a better way in avoiding bloodbath.

During a brief discussion on Fiji, Mr Natwar Singh told the committee that CHOGAM members entirely supported India's views, which was the first to impose sanctions against racialism in Fiji.

/06091

**CPI-M Paper Scores Gandhi Policy Toward U.S.**  
*46001101 Calcutta THE STATESMAN in English*  
*29 Oct 87 p 7*

[Text] New Delhi, Oct. 28—According to the CPI(M), Mr Rajiv Gandhi's recent utterances on Indo-U.S. relations "foreshadow dangerous developments which may affect even the conduct of the non-aligned foreign policy of the country".

In an editorial due to appear in the forthcoming issue of its weekly People's Democracy, the party advances two arguments in support of that conclusion.

One is that Americans have evidently impressed upon Mr Gandhi, that Pakistan is a small country and India need not bother about it. Rajiv himself said so during his Press conference. However, that small country was being feverishly armed with the most deadly and sophisticated weapons, turning the armed balance in its favour. And there were explicit statements from responsible quarters that Pakistan occupied a strategic position in U.S. international policy.

Secondly, the U.S.A. has rejected India's protests and concerns on the question of Pakistan's development of nuclear bomb. "The Americans have dismissed Pakistan's nuclear ambitions as a regional question to be settled between the two countries".

Why then, the CPI(M) asks, Mr Gandhi's present conciliatory attitude on the question of Pakistan and his statement that there was a change in U.S. official policy towards that country?

The answer, according to the party, lies in the "dangerous agreement" regarding defence cooperation. This was the first time that defence cooperation between the two countries found mention in official papers. But nobody knew what the cooperation consisted of, and what its conditions were.

Whatever those conditions, the CPI(M) feels that they are bound to affect India's sovereignty and imperil the arms supply in critical times.

Mentioning that the Government of India was possibly seeking air combat manoeuvring range and missile range systems and anti-tank missiles, the party says: "It is obvious that such deals will make India defence grossly dependent on the USA".

The CPI(M) feels that "some deal has been struck and some assurance is there" which makes Mr Gandhi take a less serious attitude towards the danger from Pakistan. "Parliament must be given full details and no deal should be signed without the sanction of Parliament", the party adds.

/06091

**Analysis Details Points of Friction With China**  
*46000042 Cochin THE WEEK in English*  
*12 Dec 87 pp 26-27*

[Article by Sujit Dutta, research officer at the Institute of Defense Studies and Analysis, New Delhi: "Making Haste Slowly—Not Much Give and Take at the Sino-Indian Talks"]

[Text] The eighth round of talks on resolving the Sino-Indian border problem was apparently a confidence-building measure not expected to solve anything. The sector-by-sector talks had reportedly been completed at the sixth and seventh rounds with both sides underlining their cases and seeking a common formula for an understanding. The latest round was due over six months ago but was postponed because of the developments at Sumdorong Chu and reports of Chinese build-up in Tibet. The officials could not have achieved anything substantial after all that. Moreover, in June, Prime Minister Rajiv Gandhi had apparently accepted the Chinese argument that the problems could not be solved at the diplomatic level when he said that "to make real progress in fully normalising relations with China, you have to make a change in the level and the method of the talks". The prospects of any dramatic breakthrough at the November talks had, therefore, been politically and psychologically precluded.

The leaders of the two delegations, Foreign Secretary K.P.S. Menon and Vice-Foreign Minister Liu Shuqing, were, therefore, left with the task of probing each other's world views and the wide gamut of issues impinging upon the relations between the two countries. According to the Indian spokesman, India emphasised that it wanted to reconstruct its relations with China and build a favourable climate for mutual trust and cooperation between the two countries. The Indian side also felt that an atmosphere had been created for further development of relations in all fields and settlement of differences. The Chinese side too stressed that it attached importance to developing friendly ties with India. Both sides agreed that pending a negotiated settlement of the boundary question, peace and tranquillity should continue to be maintained all along the border.

The Chinese have invited Rajiv Gandhi to Beijing and the Prime Minister has accepted the invitation, though no dates have been fixed. It is reported that junior-level ministerial talks would precede such a visit. Gandhi, however, has said that quick results should not be expected. The talks, therefore, seem to have at least contributed to a perceptible lowering of tension between the two neighbours—a process that was begun by the talks in Beijing held by Defence Minister K.C. Pant and Foreign Minister N.D. Tiwari earlier this year. It also appears that the Chinese were generally in a mellow mood, perhaps because of the stress on peace and peaceful coexistence at the 13th Communist Party congress and the disturbances in Tibet. India's statements restricting the Dalai Lama's political activities and its reassertion of recognition of Tibet as a part of China could not have gone unnoticed in Beijing at a time when the west was piling on pressure on the issue of human rights in Tibet.

Few Indians would dispute the need for a drastic overhaul in Sino-Indian relations for the sake of a general improvement in the security and political environment in the Asia-Pacific region. The deep hostility that marked China's relations with India and the Soviet Union from the late 1950s to the 1970s and with Vietnam, Kampuchea, Laos and Afghanistan in the past decade has clearly been a major factor for the sharp deterioration in that environment. Deep suspicions and border conflicts, vitriolic polemics and tensions have run riot and vitiated the Asian climate as a result.

In the 12 years since full diplomatic relations were resumed between China and India, the ties have slowly crept towards normalisation. Exchange of students, journalists, cultural and academic delegations has resumed and grown. Trade delegations have been probing avenues for a larger volume of business which still remains low with the balance against India.

Contacts at the highest political level have also developed in these years. Foreign Minister A.B. Vajpayee visited China in 1979—a visit marred by the Chinese attack on Vietnam which led to it being called off midway. Prime Minister Indira Gandhi met Premier Hua Guofeng in Belgrade and during the Cancun conference in Mexico. Foreign Minister Huang Hua visited New Delhi in 1981 and G. Parthasarathy, Mrs Gandhi's seniormost foreign policy adviser, led an Indian Council of Social Science Research (ICSSR) delegation to Beijing in 1983. Rajiv Gandhi and Zhao Ziyang have met since then at the United Nations to discuss bilateral relations. The border talks began soon after Huang Hua's visit to Delhi in 1981.

Despite a certain measure of improvement in ties and greater contacts, the relations, however, have not developed significantly. Suspicion remains deep, and the border remains an intractable problem. For some time now a section of Indian opinion has believed that India must make concessions in its stand, in other words give

up its claim over Aksai Chin in Ladakh, for facilitating an agreement. However—as the Chinese since early this year have made it known that there was no question of their accepting any package deal whereby they would recognise the McMahon Line or the principle of highest watershed as the boundary line if India agreed to China's occupation of Aksai Chin—renewed doubts have arisen about China's real intentions. An echo of this uncompromising stand was heard during the talks in Delhi when the Chinese team maintained that there was nothing in the records to show that Zhou Enlai made the offer to Nehru in 1961. That even Deng Xiaoping had talked of a possible solution on those lines in 1979, therefore, also becomes redundant. Indeed, it is not clear whether China's new posture is a bargaining ploy or a totally new approach.

The Sino-Indian border problem is actually more of a territorial nature than a mere border issue. China claims both Arunachal Pradesh and a large part of Ladakh, of which Aksai Chin is only a section, as having been historically its territory. While it has accepted the highest watershed principle—the basis for the so-called McMahon Line—in its settlement with Nepal, Burma and had done so with Sikkim as early as in 1890, it refuses to do so with India. Moreover, the Chinese claim line in Ladakh has moved forward over the years—in 1956, in 1959 and what it occupied in 1962. The Chinese forces have not only crossed the Kuenlun range separating Ladakh from Xinjiang and Tibet but also the Karakoram range. India, on the other hand, has sought to settle the problem on the basis of old treaties and established geographical principles—the watershed principle being invoked in both sectors as they are mountainous. As a result, there has been no meeting point.

However, the border is not the only problem that bedevils relations between the two neighbours. The complexities of the other issues are no less intractable as things stand.

Since 1979, China and Pakistan have exchanged lengthy visits of an unusually large number of top-level military delegations. These were paralleled by exchange of visits at the highest ranking political level, the latest being then Premier Zhao's four-day visit to Pakistan earlier this year. There is an extensive strategic significance and depth in Sino-Pak ties, which clearly enjoys US support. In effect, China remains the next major legitimiser of the military regime in Islamabad after the United States. Given the nature of Indo-Pak ties, the strategic cooperation between Beijing and Islamabad is a matter of major political and military concern for India.

China's political and military role in Kathmandu, Dhaka, and Colombo have similarly made India suspicious and uneasy, given the propensity of these regimes to play the China card against India and their largely anti-Indian orientations.

In recent years China has affirmed that it has stopped backing secessionist movements in northeast India. However, there is no guarantee that such support may not be resumed if relations deteriorate or do not improve.

China's non-recognition of Sikkim's merger with India and its refusal to blame Pakistan for its military occupation of parts of Jammu and Kashmir are two other irritants. Indeed Sino-Pak cooperation through Kashmir is significant following the construction of the Karakoram highway and cessation of 5,000 square kilometres by Pakistan as a part of its settlement with China on the Kashmir border. Both developments have drawn strong opposition from India.

Besides these, Tibet continues to cloud relations between the two countries. As the recent demonstrations in several cities showed, the nationality question is far from a satisfactory solution in this Chinese province. And as long as it is not, the nearly one lakh Tibetan refugees would not return to Tibet.

It is in the interest of the Chinese and the Tibetan peoples that a satisfactory solution is reached soon facilitating the return of these refugees from India. India has not recognised Tibet's separate identity but it can hardly deny the refugees shelter on humanitarian grounds till the Chinese amicably settle their problem and facilitate their return home. Indeed, genuine autonomy for Tibet, as China proposes to grant Hongkong, Macao and Taiwan, can certainly be one of the ways to sort out the problem, particularly when the people living in the last three provinces are Hans while Tibetans are ethnically distinct from the Hans.

An honourable, mutually beneficial settlement of the border problem and most other issues vitiating Sino-Indian relations is possible if both sides so desire. War as a means of diplomacy must be discounted and is fast becoming an unworkable option in today's highly militarised and volatile world. All pending disputes between China and India can be settled through negotiations without letting discontent and suspicion developing into conflict.

For this it will be necessary for both China and India—the two largest countries—to play positive roles in global peace efforts, in restructuring the economic, political and strategic environment that has been built up since 1945. It is an environment that can no longer be sustained without irreparably damaging chances of human survival. It is to India's credit that it has largely carried out its global responsibilities since independence. China had done so for a time in the 1950s. It, however, needs to renew that pledge again today and shun a narrow nationalistic balance of power approach. Beijing's conflicts with its neighbours—India, Soviet Union, Afghanistan, and Indo-China—have their roots in an era that the Chinese Communist Party has repudiated. The critique

must be converted into actual acts of friendship for Sino-Indian ties to leap forward. India, it is hoped, would not be found wanting when that occurs.

/06091

**Commentary Urges Caution in Talks With China**

46000035 *Cochin THE WEEK in English*  
28 Nov 87 pp 8-10

[Passage in italics as published]

[Excerpt] It is important to note here the difference in perception and national characteristics of the Chinese and the Indians. While we have yet to integrate ourselves completely with a full sense of Indianness and not think in terms of being Punjabis, Bengalis, Tamilians, Maharsahrians and so on, the Han Chinese form 97 per cent of the population in their country. Their language is the same and even if it is spoken somewhat differently in various parts of the country, the written language is identical. And any Chinese would understand if the particular Chinese characters are shown to him even if these were ununderstandably pronounced. Moreover, the Chinese empire had been constantly expanding and it is sufficient to look at where the great wall of China is built to defend ancient borders of China, and where the boundaries of China extend today, to establish this expansionist trait. On the other hand, Indians have always remained within their own border and never thought of conquering other territories by force. If anything, the borders of India have shrunk since the time of emperor Asoka.

The legend which needs to be dispelled, once and for all, is the impression that India and China had been friendly over the centuries. While Buddhism was the most important export from India to China and a few courageous scholars and pilgrims travelled from one country to the other braving the dangers along the silk route or through Tibet, there had been practically no mass interaction of any kind till this century. Of course, there was considerable trade between India and China over the sea route during the Tang dynasty in the 8th century. The despatch of a medical team by the Indian National Congress to China in the late 1930s when Japan was launching its invasion of China had left behind a great deal of goodwill. Recently, the Chinese film studios produced a film to mark this event, commemorating Dr Kotnis, one of the members of the team, who had married a Chinese citizen before he died of illness when serving with the People's Liberation Army.

Therefore, when in the latter part of the 1950s it finally came to light (and that too from Chinese publications) that China had built a road from Tibet to Sinkiang across Aksai Chin, there was general consternation in India, but still no clarity in thinking. In fact, the first *note verbale* sent by the ministry of external affairs protesting the construction of this road absurdly inquired how the road was being constructed through Indian territory and

expressed indignation over the fact that the Chinese personnel concerned had not even applied for Indians visas before crossing the border!

The exacerbation of tension which followed resulted in clashes in Aksai Chin, the publication of the officials' report on the India-China boundary in 1960 and eventually the war of 1962. These events are too well known to need further comment.

The only sensible thing we did after the conflict was to maintain our diplomatic missions in each other's country, although the ambassadors were withdrawn. After a freeze in relations for 14 years, the ambassadors returned to their countries of accreditation in 1976. In 1979, Indian Minister for External Affairs, A.B. Vajpayee visited China. The tour had to be, however, suddenly cut short due to China launching an attack on Vietnam at that time, "to teach Vietnam a lesson" to use Deng Xiaoping's own words. It was during this visit that an understanding was reached to hold official-level talks, covering all aspects of our bilateral relations including the border question.

It stands to reason that if two parties agree to discuss any problem with a view to finding a solution, the eventual understanding when reached cannot be the negotiating position of one side or the other. Differences concerning a boundary are always more difficult to resolve than other issues. The very commencement of negotiations would then, by inference, confirm the willingness of the two parties to reach an agreement along a line which would lie somewhere in between their two claims. There is no doubt that the evidence available to sustain India's position is better, both in quality and quantity, than the evidence that the Chinese have been able to produce so far. The choice is, therefore, either to decide on a modus vivandi, or, if this proves to be difficult for any reason, to set aside the problem to be tackled at a later date, while normalising relations in other areas. This in fact has been the Chinese position during the official-level talks and from all indications, this could be the ultimate path which may be agreed between the two sides.

The question that then arises at this stage is what have the earlier seven rounds achieved? In the first five rounds, some headway was made in regard to exchanges in the economic, commercial, educational, scientific and cultural fields. But there was no similar movement on the border question. The maximum which could be achieved was an understanding on certain principles which could form the basis for substantive talks on the boundary. Unfortunately, just prior to the commencement of the sixth round, intrusion by Chinese military personnel took place in the Wangdong area of the Sumdurong Chu valley in the eastern sector. During the talks in Beijing, the Chinese side indicated its willingness to freeze the situation on the ground, provided that India also was agreeable to that. It is a measure of the negative mood which prevailed then that the Government of India did not find this proposal acceptable.

At the seventh round held in India, the Chinese side suddenly shifted its stand substantially on the so-called package proposal, which had been initially made by Zhou Enlai in the late 1950s and reiterated by Deng Xiaoping as recently as in October 1982. This package proposal envisaged that, if India was willing to concede the claim over Aksai Chin in the western sector, China would be prepared to accept the McMahon Line in the eastern sector. The new and disturbing Chinese interpretation of the package proposal at the seventh round was that India must necessarily make some concessions in the eastern sector, in return for which China would be prepared to make similar concessions in the western sector. In typical fashion, the Chinese side claimed this did not amount to any deviation from the earlier package proposal.

The outlook for the eighth round of talks, therefore, was not bright. The best one had hoped for was a stalemate, and an understanding that neither side would move its forces further forward from its existing positions on the border. Such an understanding would avert the possibility of accidental clashes taking place, which could seriously vitiate relations between the two countries. It is relevant to note that one of the guiding principles agreed upon in the fifth round of talks was that both sides would maintain peace and tranquillity on the present border which the Chinese define as the 'line of actual control'.

Of greater gravity, in the long run, is the indication given by India during the visit of our foreign minister to China earlier this year, that political-level talks could be held separately, in addition to the on-going official-level talks. What this means is a mystery and what it will lead to is unpredictable. While movement forward at the official-level talks can continue at its own slow pace, the pace will have to be necessarily faster at the political-level talks and the consequences of this would be much greater in their import. One can only hope that those in power comprehend the complex nuances of the India-China border question in its proper historical perspective and not rush in where angels fear to tread.

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**Text of Gandhi Statement on Sri Lanka Accord**  
46001114 Madras *THE HINDU* in English  
10 Nov 87 pp 7, 9

[Text] New Delhi, Nov. 9—The following is the text of the Prime Minister, Mr. Rajiv Gandhi's statement in Parliament today on the implementation of the Indo-Sri Lankan Agreement:

I rise to inform the House about progress on the implementation of the Indo-Sri Lankan Agreement, including the background to the operations of the Indian Peace Keeping Force (IPKF) in the Jaffna peninsula.

The Agreement has been acclaimed internationally. There is a widespread consensus that the full implementation of the Agreement will be of universal benefit. Tamil aspirations would be met, the unity and integrity of Sri Lanka preserved, and peace and stability restored to the region. Some of our important security concerns would also be met. Therefore, the Government of India is committed to the full implementation of this Agreement. We believe that this resolve is shared by the Government of Sri Lanka.

**Satisfactory progress:** In the three months since the Agreement was signed, we have made satisfactory progress on many fronts. Sri Lankan security personnel have stayed in their barracks. Home Guards in the East Province have been disarmed and the Special Task Force has been largely withdrawn. Over 3,300 Tamil detainees have been released under an amnesty, and the rest would have been freed if the LTTE had not disrupted the return to normality.

The contours of civil administration in the North and East were being drawn on lines suggested by Tamil representatives ranging from the LTTE to the TULF. The Interim Administrative Council had been announced, with the LTTE given a decisive majority. The return of the refugees from India had been planned in consultation with the Government of Sri Lanka. We had identified priority areas for rehabilitation, to be financed through a grant of Rs. 25 crores announced by India.

Peace had been established in the North and East of Sri Lanka. The return of normality was imminent. It is a matter of great regret that the LTTE threw all this away. They went back on every commitment they had given to us. They deliberately set out to wreck the Agreement, because they were unable or unwilling to make the transition from militancy to the democratic political process. The LTTE were given every possible encouragement and opportunity to join the political mainstream and even to play a leading role in the process. The LTTE leadership, which had masterminded the killings of over 600 rival Tamil militant cadres, were permitted to retain their personal arms for their security. They were allowed to hand over their arms at their own pace, even though this enabled motivated parties to question our resolve to implement the Agreement.

**LTTE demands conceded:** Our High Commissioner flew to Jaffna several times to find out what the LTTE leadership wanted. On September 28, an agreement was reached. The minutes signed conceded every single demand of the LTTE concerning the composition and functioning of the Interim Administrative Council. In return, the LTTE reiterated their support to the Agreement and once again promised to lay down arms. The establishment of the Interim Administrative Council was announced in accordance with this Agreement. But within hours the LTTE went back on their commitment. The LTTE chose to adopt a course of violence.

While they promised us support to the Agreement they started a propaganda campaign against India and the Agreement through meetings and through their illegal

broadcasting facilities. They organised disturbances in Jaffna, disrupting normal life and the process of reconstruction and rehabilitation. They threatened all Tamil civilians who disagreed with them. They hunted down and massacred about 100 members of other Tamil militant groups. They tried to inflame Tamil opinion in Jaffna by imposing an unnecessary and tragic fast unto death by one of their cadres to demand concessions that were already under discussion and were resolved to their satisfaction. At this stage the unfortunate suicide of 12 LTTE cadres took place.

**Armed attacks on IPKF:** The LTTE killed the eight Sri Lankan soldiers in their custody and massacred over 200 civilians in the Eastern Province. They publicly repudiated the Agreement and started armed attacks on the IPKF. The LTTE's repudiation of the Agreement, their attacks on Sinhalese and Muslims in the East and their murder of Sri Lankan soldiers threatened to produce a Sinhala backlash that would have destroyed the Agreement and produced a cycle of violence worse than any island had so far seen. The victims would have been mainly Tamils especially in the South and in the Central Highlands.

The House will appreciate that this could not have been allowed to happen. In these circumstances the IPKF were given instructions to apprehend anyone carrying arms or involved in the massacre of civilians. At this point the LTTE launched attacks on the IPKF. There was then no alternative to disarming the LTTE.

The IPKF were given strict instructions not to use tactics or weapons that could cause major casualties among the civilian population of Jaffna, who were hostages to the LTTE.

The Indian Army have carried out these instructions with outstanding discipline and courage, accepting, in the process, a high level of sacrifices for protecting the Tamil civilians.

I place on record Government's very deep appreciation of the dedication and high moral standards with which the Indian Armed Forces have conducted their operations in Jaffna, against a group that flouts every norm of civilized behaviour, coercing old men, women and children to act as shields, using innocent children as human bombs, murdering prisoners, and boobytrapping houses of the people of Jaffna on whose behalf they claim to be fighting.

**Food supplies:** We wish a speedy recovery to our wounded soldiers. I pay homage to the soldiers who have laid down their lives. I am sure the entire House will join me in conveying our tribute to our gallant armed forces and our deepest sympathies to the bereaved families. Despite grave risk to IAF helicopters, emergency food supplies were airdropped over the city even during the

fighting. The IPKF shared their rations with the refugees in Jaffna. Cooked food was sent to refugee camps as soon as these came under the IPKF's protection.

We have made a major effort to restore civil supplies, amenities and administration to Jaffna. Simultaneously, ship loads of essential food and other supplies have been sent to the port of Kankesanthurai. Relief convoys are being sent to Jaffna even though the LTTE continues to attack these humanitarian missions. Electricity and telephone communications which had been sabotaged by the LTTE, have been partially restored with equipment flown out from India to replace what had been damaged.

A small team of civil administrators has been sent to advise and assist the IPKF in relief and rehabilitation work. The Indian Red Cross have sent over their personnel and in cooperation with the local Red Cross, they are doing a remarkable job of providing relief and medical assistance in the city.

The unfortunate developments in Jaffna were not of our making. We reacted with a heavy heart when there was no alternative. We got the LTTE everything they wanted, disregarding the cost to our credibility with other Tamil militant groups and all communities, including the Tamils. We overlooked the LTTE's vicious propaganda even before the outbreak of hostilities, not just against the Agreement but against India and the IPKF.

In the Interim Administrative Council, they were given a clear majority of seven out of twelve, including a Chairman of their choice. Other Tamil militant groups were excluded at their insistence. While the Government of India have accommodated every concern of the LTTE, the LTTE have not honoured any of their commitments. Even after they attacked the IPKF and precipitated the hostilities, we have repeatedly said that if the LTTE hands over their arms, supports the Agreement and renounces the path of violence they can still play an important role in the future democratic set-up. President Jayewardene has already promised them amnesty again if they surrender their weapons and support the Agreement. The LTTE have responded only with ultimatums and renewed propaganda, spreading misinformation and lies aimed at tarnishing the image of India and our armed forces. We still hope that better sense will prevail.

**Return of refugees:** Throughout, we have worked towards ensuring an early and effective devolution of powers so that the legitimate aspirations of the Tamils are met and they can live in security with dignity and honour as equal citizens of Sri Lanka. Even while trying to control the violence unleashed by the LTTE, we have been mindful of the need to ensure an early return of Sri Lankan Tamil refugees from India and the need to ensure that fresh colonisation of Tamils areas does not take place.

There were reports of Sinhala colonisation in the East even after the Agreement was signed. This naturally caused concern to the Tamils, particularly since large

number of Tamils of the province are still refugees, either in India or in the North. We have taken this up strongly with the Government of Sri Lanka to ensure that this does not happen. The Sri Lankan Government have agreed to the formation of a Monitoring Committee consisting of all communities, to investigate complaints of fresh colonisation. We are keen to ensure an early return of Sri Lanka refugees in India to their homes. The Government of Sri Lanka have also agreed to cooperate with us to facilitate the early return to their homes of Tamils who have been internally displaced. We hope the process will start soon. Long term peace in Sri Lanka will hinge on the devolution package.

The Sri Lankan Government have already introduced legislation in their Parliament to amend their Constitution to provide for the creation of Provincial Councils and the devolution of powers to them.

The legislation also provides for the creation of a single Tamil Province in the North and the East. In the light of Sri Lanka's unitary Constitution, this legislation is unprecedented. The powers it seeks to devolve to the Provincial Councils are considerable. However some of its provisions do not fully meet Tamil expectations. This matter was discussed extensively with President Jayewardene in Kathmandu and during his three-day working visit to Delhi. We have received firm assurances that if, over the coming months, difficulties arise the Sri Lanka Government will make such changes as are found necessary.

The Government of India believe that despite some problems and delays, many of which were foreseen but unavoidable in the resolution of an issue of this magnitude and complexity, this Agreement represents the only way of safeguarding legitimate Tamil interests and ensuring a durable peace in Sri Lanka.

**Difficult role:** Some have chosen to criticise the Agreement. None has shown a better way to meeting the legitimate aspirations of the Tamils in Sri Lanka, restoring peace in the country and of meeting our own security concerns in the region.

We have accepted a role which is difficult but which is in our national interest to discharge. We shall not shirk our obligations and commitments. This is a national endeavour. I am confident our efforts will have the full support to the House,

/06091

#### Rail Transport Seen Major Area for Indo-Soviet Ties

46001106 Bombay THE TIMES OF INDIA in English  
6 Nov 87 p 10

[Text] Moscow, November 5 (APN)—Rail transport has become a major area of interest in Indo-Soviet economic and technical co-operation. At a meeting in Moscow

recently Indian and Soviet experts, headed by Mr M.N. Prasad, member of the Engineering Railway Board and ex-official secretary to the government of India, and Mr B. Nikiforov, deputy minister of railways in the USSR, agreed on the expediency of setting up a permanent Indo-Soviet working group for railway transport.

On the conclusion of negotiations, Mr Prasad in an interview to APN, emphasised that his visit to the Soviet Union was successful. "We are planning to submit our recommendations to the government of India for consideration," he said. This includes the import of Soviet heavy-duty locomotives, dispatcher-to-driver communication facilities and a large consignment of rails. The production of the latter could be later started up at the Bhilai Steel Plant under Soviet licence.

India is also interested in obtaining progressive Soviet knowhow and expert consultations covering various aspects of Indian railway modernisation and rolling stock exploitation and repairs. Construction of railway transportation projects in third countries could be a promising area for Indo-Soviet co-operation.

Soviet Union and the Projects and Equipment Corporation of India are negotiating the deliveries of Soviet cast-metal for railway bogies, rolling stock and automatic couplers. They will be tested in the Soviet Union and put into serial production on a co-operative basis. Negotiations will be resumed in November.

/06091

**Indian Airlines Acquires Right To Fly to USSR**  
*46001105 Bombay THE TIMES OF INDIA in English*  
*5 Nov 87 p 9*

[Text] New Delhi, November 4 (PTI)—India has acquired rights from the USSR for the operation of Indian Airlines to the Soviet Union.

This has followed a successful round of negotiations held recently between the two countries. It is hoped that this would help India exploit the popular Kabul-Tashkent route.

This was disclosed here today by the minister for civil aviation, Mr Jagdish Tytler, while addressing the consultative committee meeting of M.P.s attached to his ministry.

Mr Tytler said that during April-September this year, Indian Airlines had reported an increase of 13.3 per cent and 7.3 per cent in terms of operating revenue and the number of passengers carried as compared to the corresponding period of the previous year.

He said that the computer reservation facility had been made available at 25 stations, including seven foreign stations. The Indian Airlines also planned to shortly provide this facility at Coimbatore, Visakhapatnam and Chandigarh, he added.

In the coming winter schedule, effective from November 15, a new link would be provided between Delhi and Dibrugarh. A thrice-weekly B-737 service will operate on the Delhi-Bagdogra-Guwahati-Dibrugarh sector, the minister said.

The minister informed the consultative committee that the Pawan Hans Limited, a government of India undertaking, had recently gone in for self-insurance scheme in respect of helicopters which would contribute nearly Rs six crores in a year to its cash liquidity. During 1987-88, the corporation hoped to earn a revenue of Rs 36.53 crores, he said.

The committee members were informed that during the last 15 years, the IAAI had earned a net profit of Rs 142.38 crores, and in operational terms the passenger handling capacity at India's four international airports had quadrupled during this period.

Passenger traffic had increased three-fold from 56 lakh passengers in 1972-73 to 187.19 lakhs in 1986-87, he said.

Among the new schemes for non-traffic revenue generation included construction of airport hotels at Madras and Bombay in collaboration with private hoteliers, the minister said. A similar scheme was being contemplated at Calcutta, where in addition there would also be a shopping complex connecting the two terminals, Mr Tytler added.

At Delhi, a sports complex would be equipped with a nine-hole golf course and sauna bath facilities for international tourists, he said.

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**Soviet Rigs, Pumps Sent for Water Works**  
*46001115c Calcutta THE TELEGRAPH in English*  
*27 Oct 87 p 8*

[Text] New Delhi, Oct. 26 (UNI)—The Soviet Union will provide six drilling rigs and 35 water pumps with accessories, to explore and tap underground water resources in drought-affected areas of India.

An agreement to this effect was signed here today by the finance secretary, Mr S. Venkitaraman and the deputy chairman of the USSR state committee for foreign economic relations, Mr V.F. Mordvinov.

Under the agreement, Soviet experts will also be deputed to India for initial operation of the rigs and for imparting training to Indian engineers and technicians, according to an official release here.

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**World Bank To Grant Emergency Loan**  
*46001111b Calcutta THE SUNDAY STATESMAN in English 8 Nov 87 p 1*

[Text] New Delhi, Nov. 7—India will receive an emergency loan of \$350 million (about Rs 450 crores) from the World Bank to help meet the balance of payment difficulties which have been accentuated by the drought.

Part of this would be in addition to the bank's earlier commitments to this country and the rest would come from speeding up disbursements of such commitments. The loan would comprise about \$250 million of IDA soft lending and \$100 million of IBRD assistance.

Announcing the loan at a Press conference today, the president of the World Bank, Mr Barber B. Conable, said that the aim of the loan was to ensure that India was not forced to cut back on its development activities to meet the additional burden on its balance of payments created by the drought. The bank estimates the net cost of the drought at \$1 billion over the next 12 months.

Regarding his talks with the Prime Minister, Mr Conable said he was convinced that India would continue its policies of liberalization. "At yesterday's meeting I got the strong impression that he was continuing his programme of liberalization—though we did not discuss it specifically. He was not on the defensive".

Mr Conable said that the bank was interested in supporting an educational programme in India which included primary education for women, and vocational training.

PTI adds: The loan was finalized following Mr Conable's series of meetings with Mr Rajiv Gandhi, the Finance Minister, Mr N.D. Tiwari, the Planning Minister, Mr Shiv Shankar, and other senior Ministers yesterday and today.

Mr Conable anticipated that these special measures would increase World Bank project disbursements by about \$150 to 200 million over the next 18 months.

"This is an emergency in both human and financial terms and the Bank is responding to India's needs", Mr Conable, who is on his first visit to India, said.

He said that as soon as he returned to Washington, the World Bank's Board of Directors would consider this loan for immediate approval.

Mr Conable said the unusual severity of this year's drought will heavily tax India's resources. Over 100 million people will be seriously affected. The economy will be affected, as well. With negligible GDP growth expected this year, agriculture sector output could well decline by 10 per cent.

Mr Conable said that because of the drought, the budgetary costs were extraordinary and growing, both to the Central and State Governments.

A Staff Reporter adds: Mr Conable will arrive in Calcutta on Monday to make a first hand study of some of the World Bank-aided projects in Calcutta. According to State Government sources, Mr Conable will first meet Mother Teresa at her Home and then visit Tiljala and north Dum Dum where work on some of the projects was on.

The Chief Minister has invited him at a dinner at Great Eastern Hotel in the evening. Mr Conable will leave Calcutta for Kathmandu on Tuesday.

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**Minister Details Pakistan Role in Siachin Attacks**  
*46001110 New Delhi PATRIOT in English 7 Nov 87 p 5*

[Text] Defence Minister K.C. Pant told the Lok Sabha on Friday that the responsibility for the recent two attacks on Indian posts in Siachin glacier, 'rest squarely on Pakistan', reports UNI.

They were "deliberate" and not the result of a lack of warning, he said in reply to Mr K.P. Rawat and Mr Dinesh Goswami during Question Hour.

Mr Pant congratulated the Indian troops for the "valiant manner in which they fought" and repulsed the attacks.

Assuring the House that there was no slip-up involved in the matter, since there was "unusual concentration" of Pakistani troops in the area, he said Indian Army authorities had taken up the matter with their Pakistan counterparts emphasising the dangers of the move.

He gave details of the incidents in a written reply to another question on the subject. He said Pakistani forces in battalion strength attacked during the last week of September. It was preceded by heavy concentration of artillery fire where rockets and missiles were also used by Pakistani troops.

He said Pakistani troops again attacked in the same area in company size on 6th October night. On both occasions the attacks were successfully repulsed, he said.

Stating that the Government had reports about Pakistan having increased its military strength in the Pak-occupied Kashmir opposite Ladakh, Mr Pant said it had been keeping a close watch on all developments in the Siachin area and had been taking necessary steps to meet any threat.

To a supplementary by Mr Dinesh Goswami on what the Pakistan Prime Minister told Prime Minister Rajiv Gandhi on the subject during the recent SAARC summit at Kathmandu, Mr Pant expressed inability to reply as he had no details of what transpired between the two leaders.

Prof G.G. Swell wanted to know the military significance of certain places. Mr Pant felt it would not be desirable to discuss this in the House.

Speaker Balram Jakhar ruled out a reply by the Minister to another supplementary raised by Mr P. Namgyal, on whether any Pakistani soldiers were captured in the Siachin area.

Answering the main question of Mr Rawat, the Minister said exchange of fire across the line of control in Jammu and Kashmir was rather common. This year, however, such incidents had been less than last year, he said.

Mr Pant added that matters relating to incident of firing were sought to be resolved in Flag meetings between the local commanders. No such meeting, however, has been held in the last one year.

He further assured the House and the country that "our armed forces maintain full defence preparedness at all times to meet any threat to the security of the country."

In addition, Minister of State for Defence Shivraj Patil told the Lok Sabha today that India had signed an agreement with the United States for defence technology cooperation in the light combat aircraft (LCA) programme.

He said the agreement contained a mutually agreed framework for enabling various Indian agencies to interact effectively with the US Government and the US aerospace industry for the LCA programme.

The "mission area" approach agreed between the two Governments provided for expeditious export clearance by the US Govt of technologies, consultancy service and end-items for the time-bound LCA programme, he said.

A 'single-window' has been identified for this activity. A laboratory-to-laboratory cooperation programme between the concerned aeronautical laboratory under the Defence Research and Development Organisation (DRDO) and the concerned US Government aeronautical technologies was expected to lead to the availability of systems and sub-systems for the LCA programme.

The terms of technology transfer, financial implications and delivery schedules would be governed by techno-economic considerations and normal commercial negotiations and Government regulations, he added.

In another written answer, Mr Patil said the Government had not adopted a new approach to "buy from abroad the Light Combat Aircraft".

The Government's policy continued to be one of indigenous designs: development and manufacture of the LCA with selective utilisation of services from foreign aero-space companies in critical areas where the indigenous skills and expertise are at present insufficient for building an aircraft of this class, he said.

Further, the technological base needed in the country would be strengthened with selective acquisition of technologies which would provide step inputs of the type needed.

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**Border Security Force Alleges Discovery of Pakistani Spy Network**  
46000034 New Delhi NATIONAL HERALD in English  
30 Nov 87 p 1

[Text] Jammu, Nov 29 (PTI, UNI)—With the arrest of at least 50 members of the Pakistani espionage network during the last one year, the Border Security Force (BSF) claimed to have unearthed several gangs of Pakistani spy rings, operating for several years from the R S Pura area of Jammu district.

The BSF sources told PTI that the arrested Pakistanis had been operating from various parts of the Jammu district under fictitious names like Ashok Kumar, Sardar Singh and Ram Kumar and the established contacts with the people in Jammu and Kashmir, Punjab and New Delhi with a definite plan of spying and sabotage.

The sources said Pakistani military intelligence agency, Field Intelligence Unit (FIU), which is supervising sabotage and subversion in northern Indian, especially in Punjab and Jammu and Kashmir, had planted spies on long-term basis to succeed in their "nefarious designs to destabilise law and order authorities in the country."

The sources said, this was disclosed during the interrogation of one Khalid Zaheer, a Pakistani national, who was arrested by the anti-espionage wing of the Border Security Force in Krishnanagar locality of Jammu city, few months back.

The BSF sources said that Zaheer visited government offices frequently posing himself as an intelligence officer with a forged identity card of Ashok Kumar, deputy superintendent of police.

During his interrogation Zaheer also disclosed that he had visited several security installations and passed information to Pakistan through his links who were later nabbed after clues provided by him.

He visited many security installations in India and passed the information across the border.

In 1984, when Pakistan and Indian forces were concentrated along the border, he was assigned the task of finding the location of the Jhansi division of the Indian Army. For this, Zaheer travelled to a number of places in and outside Jammu.

The young spy established contacts in Srinagar also and, in the process, found a suitable girl for himself. But, he was arrested before he could get married and settle as a rightful state subject. He was arrested on clues provided by a person who had helped him cross the border.

The Border Security Forces also apprehended eight persons stated to be members of an international smugglers' gang, operating from Amritsar and Delhi with their headquarters at Lohar in Pakistan, from Sai border village of R. S. Pura area.

The BSF seized 30 contraband articles, including gold biscuits worth more Rs 16 lakh, foreign currency valued at Rs 11,42,444 and 22 bag of chemical powder during raids in the R Pura area early this month.

The sources said that it was the biggest haul of the international smugglers unearthed by the Border Security Force in Jammu and Kashmir.

The sources believe that there are possibilities that terrorists and trans-border smugglers might have shifted their clandestine activities to the Jammu border following the tight security arrangements along the Punjab border from where they had carried out their activities earlier.

A constant vigil was being maintained by the BSF along the Jammu and Kashmir border to check the activities of Pakistan spies, terrorists and smugglers the sources added.

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#### New FRG Envoy Arrives

46001115a Calcutta THE TELEGRAPH in English  
7 Nov 87 p 7

[Text] New Delhi, Nov. 6 (UNI)—Dr Konrad Seitz, West Germany's ambassador-designate to India, arrived here last night.

Dr Seitz, 53, succeeds Mr Gunter Schodel, who left the country on completion of his assignment in September, an embassy release said today. Dr Seitz had earlier worked in India for four years in the West German embassy.

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#### Indo-French Joint Panel Plans To Expand Commercial Ties

46001103 New Delhi PATRIOT in English 1 Nov 87 p 9

[Text] Paris, Oct 31 (UNI)—India and France have agreed to intensify and broaden their technical and industrial collaboration and expand commercial exchanges.

The Indo-French joint committee on economic and commercial cooperation which concluded its sixth meeting here Friday identified several areas for promoting bilateral cooperation in the fields of technology and industry and decided to take some measures to reduce India's large trade deficit with France.

Finance and Commerce Minister N.D. Tiwari, who led the Indian delegation, emphasised at the concluding session the need for time-bound implementation of the decisions taken by the meeting. The areas of future cooperation chalked out by the two delegations would certainly help enhance Indo-French cooperation for mutual advantage, he told the meeting.

French Foreign Trade Minister Michel Noire who led his country's delegation, reciprocated the sentiments of Mr Tiwari and assured the Indian delegation that France would lay equal emphasis on implementations of decisions reached by the joint committee.

The two delegations identified optics, electro-optics, engineering plastics, oil field equipment, electro-medical instruments and no-break electric-powered generating units as some of the high-tech areas for technical and industrial collaboration. They accorded special emphasis on further strengthening bilateral cooperation research and development of management techniques and on intensifying research programmes in specialised biotechnological areas.

Among the larger projects identified by the two sides for collaboration were a hydro-electric power generation project at Dolhasti in Jammu and Kashmir, a viral vaccine project, a telecommunication project for manufacturing electronic switching system and a project in environmental sector with particular reference to the Ganga-Varanasi project.

The delegations agreed to further intensify the existing interaction between the Indian and French railways (SNCF) and to take up several new projects. These included carrying out of a feasibility study jointly by Indian and French specialists for a high-speed corridor

along Delhi-Agra-Kanpur routes, development of high-speed electrical and diesel locomotives and passenger coaches and manufacturing of automatic fare collection and automatic signalling system for Calcutta Metro.

The French side expressed keen interest in participating in the modernisation of airports in New Delhi and Bombay. The Airbus industry in which France holds the largest stake has already supplied six A-310 aircraft to Air India and it is under contract to supply 19 A-320 planes for Indian Airlines. Supply of these planes are scheduled to begin April 1989.

The two sides agreed on a joint participation in mineral exploration and development and signed a memorandum of understanding for this purpose.

A working group for this sector will be set up under the aegis of the Indo-French joint committee to evoke a work plan and to monitor its implementation.

In the field of trade, the French delegation took due note of India's concern about its growing trade deficit and assured the Indian delegation that some positive steps would be taken to help reduce the trade gap.

The French delegation announced that a multi-disciplinary buyers' delegation from France would visit India in February next year for identifying specific items which could be purchased by French companies. The delegation would include senior executives of large French trading companies who can decide by themselves which items from India could be marketed in France.

France has also agreed to evolve an export promotion programme for certain specific Indian products by the middle of 1988 in order to help Indian entrepreneurs and industry to develop products which can be marketed in France and in other industrialised countries.

The Indian delegation urged the French side to give better access to the French market and the European Economic Community in general for specific products like hand-made carpets, marine products, tobacco, textile and leather manufactures.

The two delegations agreed to take up concerted programmes for intensifying the interaction between the trade and industry of the two countries for identifying areas where the two countries could expand their commercial exchanges.

During his stay in Paris, Mr Tiwari held wide-ranging discussions with leading French industrialists and businessmen on further promoting the industrial collaboration and trade between India and France. Mr Tiwari, who also met representatives of Indian financial institutions and trade promotion agencies in France urged them to make a concerted effort to step up India's exports of goods and services to France and other European countries.

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**Saudi Arabia Provides Port Loan**

46001115b *Calcutta THE TELEGRAPH* in English  
3 Nov 87 p 6

[Text] New Delhi, Nov. 2 (PTI)—Saudi Arabia will provide an aid of Saudi Riyal 141 million (about Rs 50 crores) to meet part of the expenditure on the township of the Nhava Sheva Port project, an official release said today.

The loan is repayable in 20 years including a grace period of five years.

An agreement to this effect was signed in New Delhi today.

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**Success in Expansion of Armed Forces Noted**

46001107 *New Delhi PATRIOT* in English 6 Nov 87 p 5

[Text] A quarter century ago, a hastily assembled and ill-equipped Indian Military Force was defeated on the cold heights of the Himalayas, pushing India into a trauma that has affected every aspect of its national life, reports UNI.

That debacle led to a rearmament and reorganisation of the armed forces involving mobilisation of huge resources that has had a chain reaction.

The shock of the 1962 defeat led to immediate sanctioning of an additional Rs 100 crore as emergency budget allotment, nearly a third of the total defence budget for the year. That was only the beginning.

When the next Budget was presented in March 1963, the allotment for Defence almost doubled from Rs 473 crore, which included the Rs 100 crore emergency allotment, to Rs 867 crore.

As percentage of GNP, from 1.9 per cent between 1950 and 1962, it rose to 4.5 per cent in the year after the war and averaged roughly around 3 per cent afterwards. The first Defence five-year plan presented in Parliament in 1964 set out an average annual expenditure of Rs 1,000 crore over the next five years with more to come later.

India in 1962 did not possess any regular units specially trained and equipped for mountain warfare. Even the ordinary equipment possessed by the regular infantry formations were mostly obsolete, the best known of such equipment being the Second World War vintage .303 Lee Enfield bolt action rifle that was the standard issue to the Indian jawan.

Similarly, many of the armoured vehicles and the entire vehicular fleet of 2000 trucks and jeeps were all British or American World War II left-overs, mostly inefficient at high altitude.

The immediate requirement for mountain warfare troops were sought to be met by raising ten new mountain divisions. Each of these divisions was to include ten infantry battalions and roughly 300 vehicles. They were to be organised, trained and equipped for the special task that was their raison d'etre.

Decision was also taken in 1963 regarding the immediate re-equipping of the infantry with the semi-automatic Ishapore 7.62 mm rifle. The 7.62 mm calibre was also chosen as the standard calibre for all small arms so as to ease considerably, problems regarding ammunition production and supply. Further improvement in the fire-power delivery capability of the Army was assured by the provision of lighter and longer range mortar. Facilities were set up to manufacture the necessary ammunition. A new artillery piece that would have better range and be light enough to be easily transportable, was also designed.

The antiquated vehicles that had borne the burden of supplying the troops during the 1962 war were replaced by trucks and jeeps made with West German and Japanese collaboration. New ordnance factories were also set up to meet the increased demand arising from the newly expanded forces.

Though the massive increase in budget allotment also included increased allotment for the Air Force and the Navy, for a variety of reasons, the Army received the lion's share. This was partly due to historical reasons which emphasised the importance of the Army. But the allocation also reflected more practical considerations.

Unlike the Air Force and Navy, the Army expansion programme was manpower intensive, in spite of the projected equipment replacements. Even the equipment that were involved in the Army modernisation programme were relatively low technology which did not involve too many problems as regards either acquisition or assimilation.

The Air Force, on the other hand, had to depend on outside suppliers for its rearmament programme. In addition, the politics involved in such acquisitions and the technology to be adopted, caused problems.

This was illustrated by the Star fighter-MiG 21 debate, the HF 24 development, and later the indigenous MiG 21 production programme. Thus while the Army programme was well under way by 1965, the Air Force had to fight the 22-day war with mostly the same equipment that was available during the Sino-Indian conflict.

The expansion that was planned after 1962 has borne fruit. Even as early as 1967, clashes in certain sectors of the Sino-Indian border was testimony to the increased confidence of the Indian Army about its ability to contain the Chinese.

Today that ability is much higher and so is the confidence. The speed, strength and purpose with which the Indian Army moved to the frontier earlier this year to counter Chinese concentrations on the border (they are still reported to be in forward defensive positions) is an indication of that heightened capability and confidence.

Similarly, in most other aspects, India is today in a much superior position than it was in 1962. One of the major problems that the Indian Army encountered in the 1962 conflict was in moving men and material to the front.

Though the Border Roads Organisation (BRO) had been formed a couple of years ago and had done commendable work in the frontier areas, what was achieved was nowhere near what was required.

Paucity of funds, equipment and personnel had put limits on the total capability of the BRO.

But in the post-1962 period, such limitations were to a large extent eliminated and by the end of the decade thousands of kilometres of roads had been laid in frontier areas.

Logistics was also improved by the acquisition of new helicopters from the Soviet Union.

In the mountainous regions of the northern and eastern borders helicopters are of greater utility than fixed wing transport aircraft as they do not need substantial runway and can land and take-off from semi-prepared clearings.

One problem that helicopters nevertheless had till recently was their poor payload capability, as compared to transport aircrafts.

But even that has been almost eliminated by the acquisition of the MI-26 heavy-lift helicopter. The MI-26, the world's largest helicopter, can lift as much as an AN-12 transport aircraft.

Another major factor that would influence the balance in any conflict would be air power.

In 1962, in spite of having capability to achieve local air superiority, the IAF was not used because of a fear that the Chinese air force was much superior with the capacity to bomb many major population centres in north India.

The plan for increasing the squadron strength of the IAF from 25 to 45 had existed even before the '62 conflict. Lack of resources, among other things, had prevented this growth.

But after 1962 and consequent to increased resources made available for expansion and modernisation of the Armed Forces, this goal was soon attained.

The major rearmament programme for the IAF before 1971 emphasised defence of the Indian air space.

But the experience of the 1971 war—when the inability of the Canberras in attacking strategic targets deep inside were realised, emphasis on deep penetration strike was increased.

The selection of the Jaguar, after one of the most thorough evaluation ever undertaken, was designed to fulfil the need for a modern deep penetration strike aircraft.

The early 80's were a witness to a new phase of consolidation and modernisation.

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#### **Armed Forces Modernization Leads to Rise in Costs**

46001112 New Delhi PATRIOT in English 9 Nov 87 p 5

[Article: "Armed Forces Modernization Leads to Galloping Defense Expenditure"; first paragraph is PATRIOT introduction]

[Text] A quarter century has passed since the Chinese aggression. The following study done by the Defence Institute shows how this event led to a manifold increase in India's defence expenditure:

The ongoing process of modernisation of the Indian Armed Forces since the 1962 Chinese aggression has resulted in a galloping defence expenditure, reports UNI.

With some of the equipment in the Indian inventory getting outdated and manufacturers discontinuing production of many systems like the Canberra aircraft, India has been forced to go in for new generation equipment which are much more costly.

Being an arms importing country, India started diversifying its sources of supply, and in the last five-year defence plan, arms acquired from non-socialist countries became an important component of India's arms import, a study on "Trends in Indian Defence Expenditure" says.

But, these imports have been costlier than those from the socialist countries. Many commentators have observed that the cost of acquiring equipment from non-socialist countries were four to ten times higher than the same from the east bloc sources.

The process of modernisation so far has been following a pattern of replacements—that is, one particular equipment is replaced by another machine of a new generation or of an improved variety, these commentators say.

The government's attitude towards defence expenditure (DE) changed after the 1962 debacle. The then government had either "not foreseen" or had "underestimated" the Chinese threat, says the research paper by Ms Y. Lakshmi written at the Institute of Defence Studies and Analyses.

A "new defence consciousness" was roused in the country and "the need was realised for maintaining adequate armed forces to resist any external aggression", the paper said.

The threat posed by a nuclear China, a US-backed regime in Pakistan and the "cementing" of relationship between these two neighbours were taken into account.

Apart from this, the sheer size of the country, with its 7,500 km long coastline and a landmass area of about 3.2 million square kilometres, "forced the economy to devote enough resources for guarding its national frontiers", the paper said.

The armed forces were also required to protect and guard the economic assets of the country and maintain order.

The change of attitude towards defence after the war with China resulted in a gradual and steady rise in DE from a "nominal" level during the earlier period.

There was a spurt in the DE from about 12 to 14 per cent of the government expenditure before 1962 to 22 per cent in 1963-64.

In terms of the Gross National Product too, DE rose from two per cent to 3.5 per cent during the same period.

The empirical evidence provided in the study shows that DE galloped from Rs 473.9 crore in 1962-63 to an estimated Rs 8,728 crore in 1986-87.

The trends reveal that DE as a percentage of total government expenditures spurted from 17 per cent in 1963-64 to 32.4 per cent the next year, and then till the beginning of the next decade in 1973-74 maintained a level between 19 and 21 per cent.

The trends also reveal that the rate of growth of DE during the past two decades was greater than the same for Gross National Product. Between 1962-63 and 1984-85, the DE in current prices rose by over 14 times, while the Gross National Product increased by less than 12 times.

This trend was evident even if the values were taken at constant prices, that is after deflating the DE at current prices by the wholesale price index at 1970-71 base, the study said.

While the DE increased by 2.38 per cent during the same period the rate of growth of GNP was only 2.28 per cent.

The maximum the DE could reach as a percentage of GNP was 4.8 per cent under current prices.

The only times did it cross the four per cent mark: Once after the Sino-Indian war and the next time after the 1965 Indo-Pak war, the study says.

The data collected by the author from reliable international sources showed that the proportion of the Indian defence expenditure to central government's expenditure and the GNP was much below the levels of our neighbours—namely China and Pakistan, with whom India has fought wars.

The DE in terms of rupees and as a percentage of the central budget "increased steadily during the 60s and early 70s primarily to make preparations to meet aggressions from the north and the west", the study said.

However, from mid-1970s onwards, it pointed out that the DE as a percentage of the government expenditure declined but not substantially.

The DE was 21 per cent of the federal expenditure in the war years, 19.2 in the post-war years and hovered around 17 per cent during the Janata years, the figures showed.

The study divides the DE into Net Revenue Expenditure (NRE) and Net Capital Expenditure (NCE). While the former accounts mainly for the pays and allowances, stores and ordnance factories, the latter is the expenditure made towards increasing the capital asset base of the armed forces besides maintaining the existing forces.

In the total DE, NRE accounts for over 89 per cent while the NCE for 11 per cent on an average.

The NRE increased by more than 18 times between 1962-63 and 1986-87 from Rs 425.3 crore to Rs 7,630 crore.

Coming to the allocation of resources between the three services—Army, Navy and Air Force—the study says the earlier threat perceptions were considered in terms of land-locked borders with Pakistan and China.

The threat then was visualised as an army attack, with the air force playing a supportive role. This concept underwent a change and it "was realised that wars are fought and won by the air force".

Hence, most of the investment then went to the army and the air force, while the navy "looked like an underfed service".

But since the beginning of this decade, with US bases coming up in Diego Garcia, its nuclear vessels making port calls at Karachi and the arrival of the US aircraft carrier "Enterprise" in the Bay of Bengal in 1971, along with the realisation of underwater assets in terms of crude oil, minerals and marine life, the expenditure on navy rose substantially during the later periods.

In terms of percentage, till date the largest chunk of the DE—65.6 per cent—goes to the army for reasons of size. The air force gets 20.9 per cent, while the navy receives 8.1 per cent.

The thrust towards the army, the study says, has also been due to abundance of manpower resources in the country. By the same account, the air force and the navy are difficult to maintain as these services are capital-oriented.

While the NRE allocation for army increased by over 15 times between 1962-63 and 1986-87 and by 23 times for the air force, the NRE allocation rose by over 32 times for the navy, from a paltry Rs 20.5 crore to Rs 666 crore, a figure still low vis-a-vis other services.

During and after the Janata years, the government, realising the need, increased the allocation towards expending the capital asset base of the armed forces. The overall NCE increased by more than 22 times during this period.

While in current prices, the NCE allocation towards the army rose by ten times and for the air force by six times, the allocation towards navy increased by a phenomenal 90 times between 1962-63 and 1986-87. The same trend emerges if the values are taken in constant prices, the study says.

Most of the increase in the NRE on army went towards pay and allowances, stores and ordnance factories. The strength of the army rose from 550,000 in 1963-64 to 1,100,000 in 1985-86 simultaneously increasing the proportion of expenditure on emoluments.

The volume of arms production by ordnance factories and private companies increased by about 24 times in absolute terms—from Rs 131.2 crore in 1963-64 to an estimated Rs 3,106.4 crore in 1985-86.

The navy and the air force being capital-oriented has greater cost of equipment than manpower. Therefore, the study says, despite a large increase in manpower, a major chunk of the DE went towards equipment and stores.

The bias of the DE in favour of stores and capital assets vis-a-vis pay and allowances during this 25-year period, follows a similar pattern as in both developed countries and in the third world.

Despite the importance of defence research and development, particularly in terms of its ambitious programmes of developing the light combat aircraft, the main battle tank, communication and others, this sector has been getting barely 2.1 per cent of the DE on an average for the entire period, the study points out.

The study stresses the point that India has seldom predicted its force structure solely on its immediate adversaries.

Therefore, the process of continuous modernisation of the armed forces, the author feels, should not be camouflaged as an arms race in the subcontinent.

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**Report on Gandhi 6 Nov Speech to Congress-I  
MP's**  
*46001109 Madras THE HINDU in English  
7 Nov 87 p 11*

[Text] New Delhi, Nov. 6—The Prime Minister, Mr. Rajiv Gandhi, today dispelled the notion that India had shifted its position on international relations or that there was a hiatus between the Government's domestic and foreign policies. The domestic policy of removing poverty and strengthening national unity could not be pursued unless India played an important role in international affairs, he said.

There was no question of deviating from the principles of foreign policy laid down over the years by Jawaharlal Nehru and Indira Gandhi and the domestic and foreign policies were closely knit, he told the Congress(I) Parliamentary Party at the opening of the winter session of Parliament today.

India's foreign policy was based on principles which did not change from event to event and it had brought India acclaim in the international arena and many countries were now veering to the position India had taken on many an international issue, Mr. Gandhi said.

**Tilt towards U.S. denied:** India's role in international affairs was confined not only to South Asia, but was much bigger, he said. His recent visit to the U.S. was very useful. The talks with the U.S. President and others covered general issues as well as technological questions. But there was no truth in the comments of a section of the media and elsewhere that India had tilted in favour of the U.S.

He made it clear that India could not compromise on the question of its security and integrity. The steps the Government had taken were in the right direction. A lot

of progress had been made in fighting apartheid. The Commonwealth heads of government had made a positive statement on the developments in Fiji and discussed the problem of terrorism and environmental matters.

Anticipating that much would be made in the coming months of the alleged tilt in foreign policy, the Prime Minister said it should be seen whether democracy gave the right to everyone to say anything or everything without any foundation whatsoever.

**Waiting for LTTE response:** Expressing his serious concern over the developments in Sri Lanka, Mr. Rajiv Gandhi said the LTTE's actions were hurting the Tamils more than helping them. He had met the LTTE leaders before the accord (of July 29); they did not stick to the promise they had then made. Even today the door was open for the LTTE to accept the Agreement, give up violence and agree to a cease-fire. "We are waiting for the LTTE leaders to do this", the Prime Minister said.

**Improvement in Punjab:** On the domestic situation, the Prime Minister drew a somewhat encouraging picture of Punjab. There had been all round improvement in the situation in the State. Terrorists were being dealt with more effectively and the intelligence set-up was better and economic activities in Punjab had spurted in the past few months.

The Government had nothing to hide about Punjab, Mr. Gandhi said. There was a lot of false propaganda abroad about alleged atrocities there. It had been alleged that no young man dared to come out on the highways. Some from the U.S. and Canada, including a U.S. Senator, were allowed to visit Punjab recently. They came back quite satisfied with what they had seen and confirmed that everything was normal and the allegations were baseless.

The door for negotiations was always open, but talks could take place only when violence ended completely, he said. So long as law and order was not fully restored, violence would not end and there could be no talks till then.

The Prime Minister spoke of the need for modernising the police force not only in terms of arms and equipment, but in its thinking as well. Some training courses would be organised to bring about an attitudinal change among policemen and the Delhi police should be made a model force.

**Legislation against sati:** Mr. Rajiv Gandhi deplored the glorification of sati. The Rajasthan Government had already brought in legislation to deal with the problem and the Centre also would soon introduce legislation to put a ban on it and the Government would not succumb to political pressure on this issue.

He also called for a relentless struggle against fundamentalism, revivalism and communalism. For the sake of the nation's unity and integrity, absolute secularism was a must. The Congress(I) would launch a campaign in every district to fight the communal and obscurantist virus. The Prime Minister was the only person to speak at the meeting, according to CPP (I) spokesman.

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## IRAN

### Iraqi Kurdish Leader Outlines War Aims *46000045 Tehran KEYHAN in Persian 3 Dec 87 p 20*

[Interview with Jalal Talabani, leader of the Patriotic Union of Iraqi Kurdistan (PUK), by unidentified KEYHAN correspondent; date and place of interview not given]

[Text] Talabani answered a first question with regard to the extent of cooperation between the PUK and the Islamic Republic of Iran. He said: Following the unity between the PUK and the Islamic Republic of Iran, some aggressive powers got scared of this unity between a Kurdish revolutionary group and an Islamic revolutionary force. Either they saw their own interests being threatened, or else they found out that with this unity all their protracted plans would become futile.

We at the PUK do not hide our unity with the Islamic Republic, because as far as we are concerned this cooperation has no weak areas. This is something that we have announced in our statements repeatedly. We regard it as a necessary, useful, and legal unity and in the final analysis we see it as being in the interest of our Kurdish people and their revolution. In addition to this, the cooperation between us is an answer to the attacks launched by the Ba'thists and a most important factor for the liberation of Iraq. This is why we stress this unity once again and will try to extend and strengthen this bond.

He then talked about the Kurdish movements in Iran, their relations with the Iraqi Kurds, the situation of Iraqi Kurdistan following the destruction of the Ba'thist regime, and the relations with Iraq's Islamic Movements. He said: We cannot comment on the internal situation in Iran, because in accordance with our agreement with Iran we do not interfere in the Islamic Republic's affairs.

With regard to Iraqi Kurdistan, I must add that the Kurdish people will determine their own fate after the downfall of the Ba'thist regime. However, I cannot now comment on behalf of the Kurdish or Arab people of Iraq on the type of decisions they will make after the destruction of the Ba'thist regime. This is something that is up to the Kurdish and Arab peoples. On the other hand it would be beneficial for the Kurds to unite with the Islamic movements as enemies of reactionaries and the Ba'thist rulers of Iraq. Within a widespread framework we believe that the Kurdish people are part of the Islamic world, and hence we agree with any effort to establish a unified Islamic Jamahiriyyah. As part of the Islamic nation, the Kurdish people will take part in this.

We do not accept that the Kurdish people should become part and parcel of the Arab Iraqi masses, because ultimately this would mean that they would regard the Kurdish peoples as part of the Arab ummah, and this is something that we reject. But if they say that the Kurdish people will be regarded as a Muslim nation, we will accept this, because first of all this is a reality and, second, it will mean that the kurds will then have all the rights of other Muslim nations.

This is why, if the political regime in Iraq remains the same as it is after the destruction of the Ba'thists, we as a Kurdish nation will oppose it. This means that we will not be part and parcel of an Arab Iraq and we will then demand a federal system. But if Iraq makes up part of an Islamic nation, we will then join in as a Muslim nation.

Today, what matters more than anything else is to unify the efforts for the downfall of the fascist Ba'thist regime of Iraq. After we have liberated the Iraqi people from this dictatorship, then we have to open the doors for discussion on other issues. I cannot yet predict the decisions that the Kurdish people will make with regard to the kind of regime they will set up. What is important is that the Kurdish people will not accept a regime that is imposed on them. Second, they will hold talks and discussions on the type of regime they want to have. But, as I said before, what concerns us at the moment is to unify the efforts to topple the band that is ruling Iraq. One must add that ideological differences should not overshadow the scene of struggle against the Ba'thists. These differences should remain within the framework of the organizations and bodies involved.

About future operations in northern Iraq, Talabani said: The aim of our visit to Iran is to strengthen the unity that exists between the PUK and the Islamic Republic and also to hold talks on ways to coordinate the struggle in future IRGC operations in northern Iraq.

This cooperation has widespread meaning and includes operations in the mountains, towns, and villages of Iraqi Kurdistan. The details of these plans will remain a secret. What is important is that both sides will strengthen and solidify their efforts in political, military and propaganda areas against the Ba'thist regime. Of course, we believe that Iran's new strategy with regard to a chain of attacks on the war fronts will give a golden opportunity to Iraq's opponents to mobilize their forces in order to carry out and extend military operations. It must be stressed that the liberation of Iraq can only be achieved by war and revolution.

He added: This year and next, we will carry out major, rather than localized, operations against the Ba'thist Iraqi regime throughout northern Iraq. Alongside Iran's operations in the south, the northern areas of Iraq will soon witness widespread operations by the revolutionary Kurds, with the support of the Islamic Republic.

With regard to the possibility of capturing the cities in northern Iraq, Talabani said: The Kurdish movement has made significant progress in terms of quality and quantity in northern Iraq. It is planned that, in future actions, some of the towns in that area will be captured by the Iraqi Kurds. Without a doubt, if the Islamic Republic can carry out two operations similar to Karbala's five in the south, the capture of towns in the north will be easy.

He then commented on Iran's position regarding UN Resolution 598 and said: We consider this position just and logical. We have announced to the opponents of the Iraqi regime that the Islamic Republic does not covet Iraqi land and in addition that it is willing to make peace with an alternative to the Ba'thist regime in Iraq.

Of U.S. intervention in the Persian Gulf, Talabani said: The U.S. intervention in the Persian Gulf not only concerns the Islamic Republic but is also an action against all the peoples of this area. We will oppose this U.S. intervention with all our might and ability.

#### Trade With UK Expanding Despite Alleged Political Crisis

464000015 London KEYHAN in Persian 22 Oct 87 p 8

[Text] Despite the onset of strained diplomatic relations between the United Kingdom and the Islamic Republic of Iran during the past several months and the closure of Iran's military purchasing office in London, the volume of trade between the two countries not only did not diminish but, to the contrary, the official statistics and figures released by the British Trade and Industry Ministry indicate that commercial and economic relations of Tehran and London have been expanding and that the level of trade between the two countries has been on the rise.

According to the British Ministry's statistics, the average value of exports by the United Kingdom to Iran from January through May of the current year amounted to 36 million dollars (22 million pounds) per month; during the 3 month period June-September of the current year this figure increased to 52 million dollars (32 million pounds) per month.

According to a report in the economic weekly MEED (London), the United Kingdom exported goods amounting to 337 million dollars (205.5 million pounds) to Iran during the first 8 months of the current year. Despite the fact that the above figures on British exports to Iran are at a relatively lower level than the figures for the year 1986, nevertheless, officials at the British Trade and Industry Ministry believe that during the course of the last 4 months of the current year, the level of British exports to Iran will be equal in value to last year's figures.

The British Ministry's statistics indicate that during the first 8 months of the current year the United Kingdom purchased from Iran goods valued at 218 million dollars (133 million pounds). The value of British imports from Iran during the 12 months of 1986 did not exceed 164 million dollars (approximately 100 million pounds). A comparison of the above two figures indicates that during the current year the level of the United Kingdom's imports from Iran has seen a noteworthy increase.

In one part of the article appearing in the weekly MEED it was pointed out that: "At the time when the diplomatic crisis between Tehran and London began—which culminated in the recall of the diplomats of both countries—some economic observers predicted that this crisis would damage trade relations between Iran and the United Kingdom. But, this situation not only did not alter the economic relations of the two countries, rather, as reflected in the British Ministry's statistics, the volume of trade between the two countries has increased."

Iranian economic officials recently stipulated that the diplomatic events of several months ago had left no negative trace on economic relations between London and Tehran. The weekly, quoting British economic officials, wrote: "Economic relations between the United Kingdom and Iran are as they were before, have continued without interruption, and there has been no change in the current state of affairs."

A while ago, the British Ministry of Trade and Industry published the statistics covering trade between the United Kingdom and Iran for the first 6 months. According to these statistics, the United Kingdom, during the first 6 months of the current year exported goods and products to Iran valued at 133.4 million pounds and purchased from Iran various products valued at 68.9 million pounds. A comparison of figures on British exports to Iran during the first half of the current year with figures covering a comparable period in 1986 indicates that the value of such exports dropped by 44.5 percent. During the first 6 months of 1986 the United Kingdom exported industrial and consumer goods to Iran valued at 240.4 million pounds.

According to this Ministry's statistics, during the first 6 months of last year the United Kingdom purchased from Iran goods valued at 58.1 million pounds; thus the value of British imports from Iran during the first half of the current year increased by 18.5 percent, and the level of these British import reached 69 million pounds. This increase in British imports from Iran coincided with the time that diplomatic relations between the two countries had reached the lowest level in recent years. Economic observers believe that the figures under review cover only goods exported and imported and that commercial relations involving services are not included. The United Kingdom offers bank services and international currency exchange facilities, maritime insurance for freighters and oil tankers in the Persian Gulf, arms transactions by

arms dealers, commercial transactions involving technical and expert counseling on oil matters, the services of engineers experts and contractors, and of course facilities for tourists and medical patients, and other types of services which are not reflected in Britain's foreign trade statistics covering Iran. The figures on British imports from Iran mainly include quantities of crude oil, rugs, furs and leather, dried fruits, handwoven carpets, mineral stones, and fresh fruits and vegetables. In exchange, Iran imports from the United Kingdom industrial goods, agricultural machinery, transportation vehicles and engines, products analogous to other industries, and also foodstuffs and dairy products.

13041/09599

**IRI Fourth Largest Buyer of Argentine Grain**  
*46400016a London KEYHAN in Persian 22 Oct 87 p 8*

[Text] Argentina will be selling 1 million tons of grain to Iran this year.

A while back Juan Simitari, Argentina's Deputy Minister of Industry and Foreign Trade, during the course of a visit to Tehran concluded a grain sale agreement with his Iranian counterpart. The Argentine Deputy Minister stated that his country is also looking into the possibility of selling 30 large fishing vessels to Iran. The value of such a sale would amount to approximately 100 million dollars.

The value of Argentina's exports to Iran in 1986 amounted to approximately 255 million dollars. Economic observers, noting the talks that have taken place between economic and trade officials of the two countries along with the cooperation agreements concluded in the nuclear power field and in arms and weapons transactions, predict that the value of Buenos Aires' exports to Tehran in the current year when compared with the past has increased and probably will reach up to 500 million dollars. At the same time, Buenos Aires announced that Iran intends to purchase quantities of maize, iron beams, and medicinal products. At the present time, Iran is the fourth largest purchaser of Argentine grain.

A while ago, Jeremy Morgan, the GUARDIAN'S economic commentator, wrote the following with regard to the expansion of trade relations between Iran and Argentina: "Iran and Argentina, in addition to the friendly and open trade relationship in various fields, some 4 months ago concluded an important nuclear cooperation agreement. Argentina, in addition to technical and scientific cooperation with Iran in the fields of atomic research and nuclear energy, at present has become the largest provider of grain oils, wheat, and meat needed by Iran."

The above mentioned newspaper's article also contained the following: "The first indication of the existence of secret arms sales to Iran by Argentina became evident when last March the Argentine military industry called "Fabricaciones Militares" revealed that Tehran and

Buenos Aires had concluded an agreement for a 21 million dollar purchase of weapons and military equipment. From the time that this secret relationship was revealed till now there has been no official word given out to the media regarding the ins and outs of the export of Argentine weapons to Iran. Military experts believe that the value of weapons sold by Argentina to Iran is at least three times the figure noted above which was disclosed, and that there is a strong possibility that to date Tehran has expended more than 100 million dollars to get delivery of Argentine weapons."

Economic observers believe that Argentina over the last 2 or 3 years has become in this way one of Iran's chief trading partners in the realm of Iran's economic relations with other countries of Central and South America. These observers add that the expansion of Argentina's economic relations with Tehran is no secret to U.S. officials. Many of Argentina's production plants get their capital from American capitalists. Apparently, Argentina's enormous indebtedness to international banks and to U.S. financial institutions has made it necessary for the Argentine government and private sector to expand Argentina's exports to countries of the Third World. Such exports include industrial goods, foodstuffs, agricultural products and especially weapons and military equipment.

13041/09599

**Sweden Reducing Exports to IRI**  
*46400030b London KEYHAN in Persian 26 Nov 87 p 8*

[Text] The government of Sweden during the last 3 years has reduced the export of its commodities to the Islamic Republic by one-fourth. While in 1984 the Islamic Republic purchased an equivalent amount of 3.885 billion Kronas of goods from Sweden, this figure in 1986 decreased to 843 million Kronas. According to the published statistics by the official Foreign Trade Statistics Centre of Sweden, in 1984, 1985, and 1986 respectively the aforementioned country exported commodities of equivalent value of 3.885 billion Kronas, 1.623 billion Kronas, and 843 million Kronas to the Islamic Republic of Iran. A comparison of the value of the Swedish exports in the first 6 months of 1986 with the similar period in the current year shows a reduction of one-half. The official Foreign Trade Statistics of Sweden also indicates that while during the first 6 months of last year (January to June 1986) that country exported goods of an equivalent value of 562.9 million Kronas to the Islamic Republic, the equivalent figure for the similar period in the current year has reduced to 269.4 million Kronas.

The Foreign Trade Statistics of Sweden indicates that while that country procures its needed oil from the northern Europe at the same time its government and trade authorities have gradually decreased their purchase of oil from the Islamic Republic in the last 3 years. A study of the figures pertaining to the imports of

Sweden from the IR shows that that country in 1984 purchased about 403 million Kronas worth of goods, in 1985 an equivalent of 153 million Kronas and in 1986 about 502 million Kronas of goods was purchased from the IR by the aforementioned country. The figures for purchases of Sweden from the IR during the first 6 months of 1986 and 1987 respectively stand at 171 million Kronas and 159 million Kronas. A comparison of the first 6 months of the current year shows that the IR after Saudi Arabia is the largest exporter of commodities (mainly oil) to Sweden.

A study of the statistics of trade exchanges between Sweden and the Middle East countries during the last 4 years indicate that that country has gradually decreased its dependency on oil from the Persian Gulf region, and by resorting to oil markets of northern Europe, it has achieved a positive foreign trade balance with the Middle East countries. At present most of the trade agreements between Sweden and Middle East countries are based on bartering and in exchange for the export of its industrial products to the Middle East countries, Sweden receives oil or other similar raw materials. The published statistics by the Ministry of Energy of Sweden indicates that at present that country purchases a major portion of its needed crude oil from the oil-producing countries of the North Sea (Norway and England). The result of imposing limitations on the purchase of oil from the Middle East countries has decreased the volume of import of Sweden from the oil-producing countries of the Persian Gulf region from 1.72 billion dollars in 1981 to about half billion dollars in 1986. In other words, while in 1981 Sweden imported about 7.6 percent of its needed commodities (oil) from the Middle East countries alone, this ratio during last year was reduced to less than 1.5 percent of the total import of Sweden from various countries of the world.

12719/09599

#### **Musavi Calls Production of Military Equipment 'Phenomenal'**

46400031a Tehran ABRAR in Persian 16 Sep 87 pp 1,3

[Text] News Service—Yesterday morning Prime Minister Mir Hoseyn Musavi inspected domestic industry booths at the 13th Tehran International Exposition.

During this inspection the prime minister was accompanied by Ayatollahi, minister of mines and metals. He inspected various sections of the Chamber of Commerce and Industry, including the departments of defense industries, agriculture and transportation, as well as the booth for the Scientific and Industrial Studies Organization.

During this inspection the necessary explanations were given by Minister of Heavy Industries Behzad Nabavi, Minister of Culture and Higher Education Farhadi, and booth officials.

At the booth for the Scientific and Industrial Studies Organization the prime minister learned about the innovations and inventions of Iranian industrialists.

At the inspection's conclusion the prime minister talked with news correspondents. He said: The government supports progress and growth in industry by Iranian innovators.

During the discussion he called upon the people, especially the youth, to see the progress in the heavy industries booth and to inspect the achievements of researchers.

Engineer Musavi emphasized: Looking at these industries we will perceive strong management and realize the effects of the necessities of the war.

The prime minister also regarded the advances in domestic industry as astonishing. He said: Astonishing work has taken place in the industrial sector, especially in the area war equipment production, and the government strongly supports advances in the heavy industries.

He said: The domestic products on display in this exhibit hall illustrate the breakthrough we have made due to necessity. Here innovators have done things that give the nation the possibility of independence.

He stressed that one of the secrets to the nation's independence has been the efforts of innovators.

Engineer Musavi said: The time has passed when the arms and economic embargo had an effect on the war and the nation.

He said: We can now manage the war and the nation's economy in broad areas without relying on others.

During the interview Mr Musavi stressed the necessity for the greater expansion of domestic production and respect for inventors.

At the conclusion of the interview the prime minister discussed the results of negotiations with the secretary-general of the United Nations in Tehran. He said: During these talks various facets of the war were studied, and we believe that the issues discussed in these talks should have a useful effect.

He noted: Apart from the Security Council's position, we have always seen a good position on the war taken by the secretary-general.

9310

**Hamadan Governor-General Interviewed on Civil Defense, Prices**

46400031b Tehran ABRAR in Persian 16 Sep 87 p 10

[Interview with Governor-General of Hamadan, Danesh Monfared]

[Text] At a press conference Mr Danesh Monfared, governor-general of Hamadan, gave his views concerning the current problems of the province.

What follows is a portion of the press conference.

Concerning shelters, the governor-general of Hamadan said: Most of the administrative centers, schools, hospitals and public places have been equipped with shelters, and the new project we have carried out is for multi-purpose shelters, such as subterranean shelters that are both shelters and commercial centers. Work on shelters continues with complete seriousness in this province.

He added: With the coordination that has been put into effect among organizations and groups, all individuals who construct a building must also build a shelter. In this regard, in addition to the needed materials, we will also provide more than 100,000 rials in loans for shelters to applicants so that they can build shelters.

Continuing his remarks, the governor-general of Hamadan noted that the work on constructing shelters in the schools is continuing with the utmost vigor. He added: During the current year a great many 25- and 75-person shelters have been built in the elementary schools by the Engineering Office of the Ministry of the Revolutionary Guards and by the Hamadan Province School Expansion and Equipment Group. Likewise efforts will be made this year to convert all shelters and semi-shelters to strong and authentic shelters.

Mr Danesh Monfared discussed the province's agricultural affairs. He said: In the areas of agriculture and livestock and the problems that arise from the ability of the Province of Hamadan itself, we have begun programs, and we have called for greater activity in the various collaborations that are working in this area. In the area of revitalizing and expanding animal husbandry, good projects have been launched. These projects are new ones with investment capital provided by the Foundation for the Oppressed for modern and mechanized cattle ranching.

He added: We announced on the first day that we are aiming at the expansion of agriculture, production in the exploration unit, the expansion of animal husbandry and agriculturally-dependent industries, and the expansion of exports of the province's agricultural goods such as potatoes, garlic, raisins, carpets and other small export articles.

Mr Danesh Monfared discussed the issue of meat and bread. He said: With regard to the flour and bread council, which is one of the serious programs, in view of the additional ration of flour we have obtained from Tehran, we have no basic problem concerning the issue of bread, only the problems with the bread lines, which is caused by the city's tourism. Concerning meat, there are nationally coordinated studies underway. Action must be taken more quickly on the meat issue, and the central staffs for combatting price gouging must establish the necessary coordination more decisively throughout the country.

Concerning non-petroleum exports, the governor-general of Hamadan said: In the area of exports, while forming a province export council, we have completed an agreement with the country's customs authorities for exporting carpets from Hamadan, and we have sent some personnel for training who have returned.

The chief of Iran Customs has also agreed to the implementation of a procedure for implementing Article 13 of the Import-Export Law, and one of this province's chief export items is and has been old carpets.

The governor-general of Hamadan discussed in detail the measures taken in the area of monopolies and high prices. He said: With regard to combatting high prices and monopolies, the government of the Islamic Republic of Iran has begun very firm, orderly and good measures. The Article 48 Commission, whose members include various province officials, has also been formed, the inspectors have been chosen and they have been given the necessary training, and they have been sent to the trade centers. Overall, we have had about 200 violators throughout Hamadan, and about 350 in Malayer, Nahavand, Tuysarkan and other districts. All of them have been punished according to the law.

In short, one can say that organization, procedures, punishment and the implementation of legal penalties have been carried out to a very great extent, that this project has found its main course in the Province of Hamadan, and that it has had very good effects. The measures taken in the Province of Hamadan are good. In accordance with the prime minister's general directives, various district managements and supervisors and the inspectors to be sent to the trade industrial guilds have been designated.

The governor-general of Hamadan discussed the delivery of natural gas. He said: We will continue working in the area of natural gas delivery, which is a national project. During the last meeting we had concerning this, the main gas pipelines from Arak to Hamadan were designated. Concerning the municipal domestic gas distribution network, we hope that this project will move more quickly with the new contractor who has come and is at work.

Concerning hotels, we are planning to build at least two hotels, and several other hotels which are being used for other purposes will be revitalized. For example, the Bu'ali Hotel, part of which is in the hands of the revolutionary court, under agreements which have been reached with the revolutionary court, plans have been made to begin the construction of a new building quickly and to make the present site available to the Bu'ali Hotel.

With regard to drug addiction, the government is treating the addict as a criminal and fighting the agents who spread this crippling disaster and finding the centers where they produce and spread it. A rehabilitation center for this purpose has been built in this province, and about 2,000 persons have registered as addicts.

At the same time, through the very good efforts of the Hamadan Province Health Organization, a building for this center will be ready in about one month. The necessity of popular participation in the matter of combatting drug addiction is an important factor, but in reality it is through the concern of the people themselves that it is possible to combat addiction. If the people themselves pay no attention, the government will not succeed alone in combating addiction. In general the basis of the anti-addiction campaign is participation of the families themselves, who play the principal role by supervising their children.

In another part of his talk, the governor-general of Hamadan stressed the matter of exercise. He said: Physical education in the province is also a very good measure to expand existing exercise. In my view, exercise must be a public and universal project. Every field, piece of land, and mountain is an exercise field. In the government of the Islamic Republic our view in the area of exercise must be like this.

9310

### New Military Service Procedure for Conscripts Announced

46400037 Tehran ETTELA'AT in Persian  
21 Sep 87 pp 14-15

[Text] Social Service: Colonel Khalil Razmjou, chief of General Conscription Department in an interview with ETTELA'AT announced the latest changes and new decisions of the General Conscription Department which are going to be put into effect as of Wednesday September 29, 1987 throughout the country.

Here it should be noted that the new procedures will supersede all the previous circulars, and other pertinent communiques which were issued previously will be considered null and void.

Following is the text of new procedures:

Article 1 - The status of each and every eligible conscript must be determined according to the laws approved on October 21, 1984 and thereafter. In case it is necessary to revise the status of the outdated laws to meet the circumstances of new conscripts, the portfolio in question ought to be forwarded to the Central Conscription Department for review.

Article 2 - For inducting the conscripts into military service only 3 photos: 3 x 4 cm and two photocopies of the first and last page of their birth certificate will be needed. One of the photos will be affixed to the status form and the other two photos will be attached one to the first and one to the last page of the enlistment booklet which will be handed to the conscript thereafter. There will not be any need for other documents unless the conscript claims that he is in possession of high-school diploma or other higher certificates. In that case the pertinent documents ought to be retained in the proper personal dossiers.

Article 3 - In the status form there should be a statement made by the conscript in which he acknowledges that he is not at the time continuing his education and/or he has not applied to any other conscription center before.

Article 4 - The eligible conscripts who act as surety or those who are considered exempt from military service by the Medical Council, should submit a photocopy of their birth certificate and adduce a document testifying their scholastic status [in case they've used exemption accorded to the active students] and furthermore the final status of the conscript should be inquired and duly announced by the office which issued his birth certificate.

Article 5 - The conscripts of each independent security gendarmerie battalion or regiment ought to apply to the pertinent district where they were borne and they cannot apply to other districts under jurisdiction of the said gendarmerie battalion. For instance, those conscripts who were borne in Tehran cannot go to Karaj, Varamin or Damavand and likewise those conscripts borne in the aforementioned districts cannot apply to any of Tehran's conscription centers.

Subjoinder - This article will not be applicable to those conscripts from the families with martyred offspring, with invalid, with prisoners of war and those families with members lost in action and the conscripts whose district does not have an independent gendarmerie post.

Article 6 - A list of the names of conscripts borne in 1338 [21 March 1959 - 20 March 1960] and thereafter and for whom a permanent exemption card for medical or suretyship reason is to be issued, must be prepared every month by the pertinent battalion or regiment and after proper investigation signed by the commander of the battalion/regiment and forwarded to the office in charge

for issuing conscription cards so that pertinent computerized exemption cards can be prepared and sent back to the proper districts where the photos of the conscripts can be affixed to the cards and each card sealed and signed accordingly.

Article 7 - Military exemption certificates can be issued for those conscripts who claim acting as surety and who have a brother on the verge of death; this certificate can be issued for 7 April of the year of dispatch of the younger brother. For example, the conscript in question is to be drafted in 1367 [21 March 1988 - 20 March 1989], but he has a brother who was born in 1349 [21 March 1970 - 20 March 1971] and 1368 [21 March 1989 - 20 March 1990] is the year when he becomes eligible for military service; in such a case an exemption certificate can be issued for the elder brother dated April 7 of 1989.

Article 8 - The absentee conscripts cannot use the subjoinder following Article 3 of the General Conscription Law. However, those individuals who have at least two children and are 35 or more years old and their status is duly confirmed by the commander of the pertinent gendarmerie district or the director of the political ideology of the same district or independent regiment, can be granted exemption. In such cases, the medical council of the district in question ought to verify the age of the individuals as 35 or more years and after the changing of the birth certificate of such individuals, they can be given permanent military exemption according to the context of subjoinder of Article 3. This procedure is also applicable to the personnel of the military establishments who are serving their military terms.

Article 9 - The conscripts who as a result of partaking in the fronts of right against wrong, and who during the second half of the year participate in the final examinations and acquire high-school diploma, on condition that they are students of the day-time high-schools, will be treated as those conscripts who acquire their secondary school certificate in the June of the following year.

Article 10 - All the law-suits brought against the various branches, districts and agents of the General Conscription Department in the courts will be dealt with like other law-suits which are brought against the Islamic Republic's gendarmerie.

Article 11 - Confirmation forms regarding validation of permanent or temporary military exemption and/or service identification cards for judicial or administrative organizations must not be handed to the conscripts personally, but they ought to be forwarded by mail or through special messenger services.

Article 12 - The temporary military exemption certificates for suretyship which are issued by the gendarmerie posts according to the guidelines of the headquarters, must be signed by the commander of the company and delivered to the conscripts.

Article 13 - Those conscripts who receive 1 year temporary exemption from service with the approval of the investigative boards, need not bring their case before the said board in the following year on condition that their status remains the same as before. In case a conscript, for a period of 5 years, maintains the conditions for exemption, whether or not they have renewed their exemption, they will be eligible for permanent exemption at the end of the fifth year. If the status of a conscript before the issuing of the vote of the investigative board continued to maintain the applicable conditions, the period in question will also be considered as part of the 5-year period.

Example: A conscript born in 1344 [21 March 1965 - 20 March 1966] whose father died in 1361 [21 March 1982 - 20 March 1983] and who should have presented himself for military service in 1362 [21 March 1983 - 20 March 1984] but came forward in 1364 [21 March 1985 - 20 March 1986] for reason of being the bread-winner of the family with under-age children, has been considered exempt from military service. Thus if this particular conscript was not going to school even in 1362, since from the same year he had become eligible for exemption, he can receive permanent exemption in 1367 [21 March 1988 - 20 March 1989].

Article 14 - If and when a conscript continues to maintain the conditions for suretyship exemption for a period of 2 years and through the investigative council once or twice a vote for suretyship has been accorded him, and if in the third year the conscript in question still maintains his eligibility for exemption, he can until the end of 1366 [21 March 1987 - 20 March 1988] apply for permanent military exemption without further investigation of his record.

Article 15 - Since it is not feasible for the physicians of the Medical Council to verify the exact date of the inability of the father of the conscript and his date of eligibility for military service, therefore there seems to be no need to form a dossier dealing with the suretyship claims of such conscripts.

Article 16 - For the exemption of an eligible conscript whose father is more than 64 years old, the primary contents of the birth certificate of father would suffice and if the date and month of father's birth is not mentioned in the birth certificate, 23d of September of the year when he was born would be regarded as the date of his birth.

Article 17 - The final decision pertaining to the need for continual care of the conscript's father who is afflicted with certain ailment or who is disabled, is depending upon the investigative council and acceptance or non-acceptance of the medical council is also depending on the views of the aforesaid investigative council.

Article 18 - An administrative conscript who has deserted military service can avail himself of suretyship exemption: First, if he has been drafted without being considered an absentee and second, when and if the conditions for suretyship have been present 2 years before the first date of his induction. In that case all the necessary documents together with a cover-letter requesting exemption should be forwarded to the General Conscription Department either by the office where the said conscript has been working or by his family. In case an exemption is awarded, without the issuance of a temporary exemption card, the matter should be brought to the attention of the unit/office where conscript has been serving his term, so that the conscript in question could be cleared of desertion and the necessary temporary exemption card will be issued by the General Conscription Department.

Article 19 - If an administrative conscript during his term of service [whether during his training or thereafter] is examined by the medical council or one of the armed forces hospital and it was determined that he is afflicted with a disease or certain disability, then he can be granted permanent exemption according to the regulations of the Medical Council. The dossier of this kind of administrative conscript, after proper clearance, together with the pertinent process-verbal of the Medical Council affixed with the photo of the conscript in question will be forwarded to the original conscription department for the issuance of a permanent exemption certificate. In case there is an objection to the medical examination findings, the matter will be dealt with according to the instructions of Article 17 of the aforementioned regulations [Medical Council's].

Article 20 - Only those conscripts will be exempt from military service who are considered unable to serve in the army by the Medical Council; therefore, those conscripts who claim to be afflicted with an ailment or not being able to serve in the army, if after proper bedside examination their claims are not confirmed by the Medical Council, they will be drafted into service.

Article 21 - The conscripts who in the course of their training according to Article 19 undergo medical examination, will be given exemption only after proper decision is made by the Medical Council.

Article 22 - The conscripts whose dossiers are brought before the Medical Council for deliberation and are given permanent exemption based on the views of this council and who may later find the views of the aforementioned council objectionable, can thereafter, regardless of whether a medical exemption certificate has been issued or not, forward their dossier to the Supreme Medical Council for further deliberation. If the conscript in question does not appear before the Supreme Medical Council within 3 months from the date his dossier was forwarded for review, thereafter all the measures which have been taken with regard to his dossier shall be regarded as null and void and he will be dealt with as an

absentee. Thus he could be arrested and dispatched to serve his military term, unless it becomes clear that the conscript in question is afflicted with a disease or is partially disabled. In that case based on the views of the commander of the military unit or the director of the pertinent conscription department, his dossier will be forwarded to the Medical Council and the views of this council will decide his final status. Furthermore, it should be noted here that if a computerized exemption card has been issued for any conscripts, such certificates should be retained and sent back to the conscription headquarters for cancellation, and in the meantime a written statement should be obtained from the conscript in question guaranteeing his appearing before the Supreme Medical Council within the grace period.

Article 23 - The absentee conscripts who become eligible for temporary exemption by the Medical Council will be given military enlistment booklet with absentee seal showing the date of temporary exemption. In case of an extension of the temporary medical exemption, the date has to be extended accordingly.

Article 24 - The conscripts who are found capable for military service by the Medical Council in view of Article 20 pertaining to medical exemption examination regulations, are required to finish their service.

Article 25 - In case a conscript claims to be eligible to use the exemption accorded to the families who have had a martyr, prisoner of war or who had their son lost in action and if the martyr, the prisoner of war or the son missing in action happens to have a male child it is required to obtain a letter of agreement (consent) from the spouse of individuals mentioned above. In case the conscript claims that the martyr, the prisoner of war, or the person lost in action does not have a spouse/male child, he should give a written testimony to that effect so that if in future the fact becomes known and proven to the contrary, he could be charged with fraud and deception in the matter of military service and thus be prosecuted accordingly.

Article 26 - The testimony of the Martyrs' Foundation of each town will be valid only for the pertinent conscription department of the same township.

Article 27 - The conscription department of each district and the gendarmerie company will be responsible to investigate the exemption application of any one of the children or brothers of the martyrs, the prisoners of war or those lost in action. In case the necessary conditions are met with the approval of the commander of the gendarmerie unit or the director of the conscription department of the district in question, a certificate of exemption for a 6 month period will be issued and thereafter the dossier will be sent to the Central Conscription Office for issuing the computerized exemption card.

Subjoinder - The branch office of conscription department and that of gendarmerie company in Tehran must also create similar offices to investigate the dossiers of conscripts belonging to the families of the martyrs, those of the invalids, the prisoners of war and those lost in action. Such dossiers must bear the approval and signature of the commander of the company in question or that of the director of the branch conscription office.

Article 28 - The form pertaining to the investigation of the status of the conscript must be removed from the list of the necessary documents pertaining to the exemption awarded to the families of the martyrs, the invalids, the prisoners of war or those missing in action.

Article 29 - Furthermore, the conscripts belonging to the martyrs' families, who claim to be responsible for the supervision of his under-age brother or sister, need not provide a letter/document substantiating the death of the father or that of the mother. Likewise, it is not necessary to obtain a photocopy of the birth certificate of the sisters/brothers of the conscripts belonging to the aforementioned families [martyrs, etc.].

Article 30 - Three years of imprisonment for a prisoner of war will qualify a member of his family for exemption from military service. Therefore, in case 3 years have elapsed from the date of imprisonment of such a person, his conscript brother could become eligible for permanent exemption from military service.

Article 31 - The conscripts who become eligible for exemption as a member of the family of the martyrs, the invalids, the prisoners of war or those missing in action, and who receive a computerized exemption card cannot transfer the same to other member(s) of his family.

Article 32 - The conscripts who are in possession of a bachelor degree and who are not considered absentees, at most 6 months after graduation, and after confirmation by the Supervisory Council of Qom's Theological School can go abroad for a maximum of 6 years to continue their education, thereafter they will be summoned for military service unless they've attained the rank of a theologian, in that case they can continue their education according to the findings of the Supervisory Council of Qom's Theological School.

Article 33 - Educational exemption for the three phases of education of the seminarians of Qom's Theological College will be issued once and after completion of each section/phase of study there is no need for renewal of the exemption; however, the theological schools are obligated to report any eligible conscript who is not pursuing his studies to the pertinent conscription department.

Article 34 - Those seminarians who are not in possession of an educational exemption certificate and who are considered as absentees, in case their status is confirmed by the Supervisory Council of Qom's Theological School

to the effect that during their absence they have been busy pursuing their education, they will be granted educational exemption as of the date announced by the said supervisory council.

Article 35 - The seminarians who possess a high school diploma and who are interested in participating in the entrance examination of the universities, on condition that they get confirmation from the Supervisory Council of Qom's Theological School, can acquire educational exemption in the pertinent district and attend the university at the same time that they're continuing their theological studies. However, when and if the Supervisory Council announces the end of such exemption, the conscript no longer can continue his studies at the university and must report for military service.

Article 36 - High school graduates, other students of secondary schools who have not finished their education, vocational school students, seminarians and other religious schools' students who are eligible for conscription and also the employees of the armed forces who have been fired or prisoners who have been released from prison, must report to any of the pertinent conscription departments within 4 months of their dismissal from office, release from prison, etc., otherwise they'll be considered as absentees.

Article 37 - The eligible conscripts who possess post-high school degrees have a maximum of 6 months after their graduation date to present themselves for military service, otherwise they'll be considered as absentees.

Article 38 - If the eligible conscripts who possess post-high school degrees, within 6 months after graduation or until the first date of enlistment, take part in related training of their field of study and gain admission as a third year student in the pertinent educational institution, they can continue their education. However, if until the date of enlistment and dispatch of conscripts for training courses they've not received an answer regarding their admission to the aforesaid institution, they're obligated to report for military service and if during their military service their acceptance is announced they will be released from military service to pursue their education.

Article 39 - The conscripts who obtain temporary medical or suretyship exemption and are admitted into universities or other similar higher institutions of learning, can use the same exemption to continue their education and if for certain reason this temporary exemption is not changed to permanent exemption, such students can use educational exemption until they finish their studies.

Article 40 - The registration (enrollment) conditions for day-time high school and vocational institutions' students who are planning to continue their education and their age-status during school year 1366-67 [23 September 1988 - 21 May 1989] will be as follows:

1. The conscripts who were born in 1348 [21 March 1969 - 20 March 1970] and thereafter will be admitted to first year of high school if during school year 1365-66 [23 September 1987 - 21 May 1988] they've been in the third grade of guidance school.

2. Those students who were borne in 1347 [21 March 1968 - 20 March 1969] and who in the school year 1365-66 failed in the first year of high school can re-enroll in the same grade for school year 1366-67.

3. The students who were borne in 1347 and thereafter can enroll in the fourth grade of high school.

4. Those students whose birthday falls between 1343 to 1347 [21 March 1964 - 20 March 1969] can enroll in the second and third grade of high school.

Article 41 - The conscripts who were graduated from one of the teacher training centers between May 17, 1969 to October 19, 1984 after fulfilling 5 years of service, if their conscription status is quite clear according to the report of the teacher training center, the issuance of the certificate for obligatory 5-year service will be carried out by the relevant education department where such services were rendered; otherwise, in case the conscript's dossier is not quite clear with regard to his fulfillment of the service as a result of a lack of report by the pertinent organization, the issuance of the certificate for obligatory 5-year service will be the duty of the education department of the province, where, the relevant exemption card should be issued and delivered accordingly.

Article 42 - The conscripts who were graduated from one of the teacher training centers after October 19, 1984, according to Article 7 of the Military Service Law and Article 36 of the pertinent executive regulations thereof, must pass their preliminary military training through the Mobilization Unit of the Oppressed of the Islamic Revolution Guards Corps. The education departments are thus obligated to record the beginning and end of the military training of these individuals and follow their service obligation history and report the same to the pertinent general conscription department together with complete dossier of each conscript which is affixed with their photo.

Article 43 - The conscripts who have passed at least 3 months of preliminary military training through the general conscription department, before entering one of the teacher training centers, need not complete this training course; however, other individuals must pass the military training course to completion.

Article 44 - The conscripts who are continuing their education in the teacher training centers, can also continue their studies in one of the universities only if the education department of the province agrees to discontinuation of their training in the teacher training centers.

Article 45 - The period of service of those conscripts who in the course of their military service, as a result of contracting a disease or disability become eligible for exemption must be recorded according to subjoinder of Article 26 of Medical Exemption and Regulations and the said period of service must be duly recorded in the permanent medical exemption card. Therefore, it is necessary to add the name and period of service of these individuals to the columns 66 and 72 pertaining to the list of names of medical exemptions, so that after dispatch to the central conscription department their computerized card can be issued.

Article 46 - In order to reduce accumulation of files to a minimum in the conscription office branches, with the direct supervision of the regiment and border battalion commanders and the regional director of the Tehran Conscription Department, all the extraneous files and unnecessary documents should be removed from the archives and according to the type and kind of information/material which they contain, they should either be destroyed or sold to the cardboard manufacturing plants. These would include:

1. The files of all the conscripts born between 1334 until the end of 1337 [21 March 1955 - 20 March 1959] who are not students of any educational institution and no request has been made for an educational exemption for them.

2. The files of those conscripts who possess bachelor or higher degrees and who have received permanent medical/suretyship exemption or who have been summoned and served their military service and 5 years have passed since their exemption/completion of their service.

3. The files of those conscripts born in 1338 [21 March 1959 - 20 March 1960] and thereafter who have been issued computerized cards and/or who have been summoned and served their military services and 5 years have elapsed hence.

4. The record and ledger books pertaining to those conscripts who are over 50 years old.

5. The status of the files pertaining to paragraphs (2) and (3) above must be recorded in the main ledger books together with the number of the computerized cards of the conscripts born in 1338 and thereafter.

6. All the aforementioned files must be destroyed according to the law under the supervision of the pertinent specialist from the archives department who has been accordingly asked to attend the process of elimination of such files.

Article 47 - The conscripts born between 1334 until the end of 1337 who possess academic degrees below that of a bachelor can adduce any pertinent certificate pertaining to their temporary exemption without the necessary confirmation from the general conscription department, unless they claim that they're in possession of bachelor or higher degrees.

Article 48 - The birth certificate of those conscripts born between 1334 until the end of 1337 who possess academic degrees below that of a bachelor, can serve as their exemption certificate from military service and in such cases if through gendarmerie regiments of the Islamic Republic issuance of proper exit permission has been accorded to the passport division of the said regiments, such decision will meet with the confirmation of the General Conscription Department.

Article 49 - The conscripts who are granted permanent exemption by the investigative or medical councils, whether or not there is any plausible objection to the exemption thus granted, they will receive a temporary exemption for a period of 6 months until the issuance of the computerized exemption card is completed.

Article 50 - [missing, does not appear in source]

Article 51 - For the regular conscripts who are due to join the military service and who present themselves to the conscription department outside the district where their birth certificate was issued, a military enlistment booklet dated Farvardin [21 March - 20 April] of the year of dispatch must be prepared, and all the conscripts who present themselves for military service after the dispatch date of Farvardin, will be considered as absentees.

For instance, as of the date of receipt of this communiqué a military enlistment booklet must be issued for all the conscripts born in 1348 [21 March 1969 - 20 March 1970] who present themselves for military service outside the district where their birth certificate was issued. This document should bear Farvardin 1367 [21 March - 20 April 1987] as the date of issuance. Those conscripts who present themselves for military service after the above-stated date will be considered as absentees. Likewise, for the regular conscripts born in 1349 [21 March 1970 - 20 March 1971] who present themselves to the conscription department outside the district where their birth certificate was issued, a military enlistment booklet bearing Farvardin of 1368 [21 March - 20 April 1989] will be issued.

Article 52 - The conscription agents who are stationed in a region where they are not aligned with the administrative procedures of the central gendarmerie regiment, are not allowed to form medical, suretyship or educational exemption files for applicants. Similarly, those conscripts who claim to belong to a family of martyrs, etc. or those who claim to be afflicted with a disease must present themselves to the conscription officials of the central office of their district.

Article 53 - All the gendarmerie posts which have registry ledger number 22, according to the number of conscripts of each district, they will be given equal numbers of military enlistment booklets to be issued to the regular conscripts and accordingly notify the central conscription department.

Article 54 - The conscripts who from July 9, 1987 and thereafter, without observing the rules pertaining to Articles 20 to 24 of the Military Service Regulations, have served in the Islamic Revolution Guards Corps and the Islamic Revolution Komitehs, cannot use this period of service toward their military conscription term and they will be dealt with like other conscripts who have not been as yet drafted.

Article 55 - The conscripts who have finished their high school education and who according to Article 127 of the Military Conscription Regulations have received temporary exemption as a result of the induction of his brother(s) into military service, will not be allowed to take entrance examination of the universities.

Article 56 - All the pertinent letter-head stationery which are needed by the various conscription branches will be distributed only by the Procurement Office of the Military Conscription Department to the representatives of the aforementioned branches who have been introduced to the said department, for eventual distribution among other pertinent offices.

Article 57 - [missing, does not appear in source]

Article 58 - The absentee conscripts who report for military service, after termination of their military service a record of their military termination certificate should be maintained in the pertinent unit which they served and the relevant conscription office of the district where his (their) birth certificate(s) were issued should also be notified. Thus the conscription office will in due course notify the local court of the status of the conscript in question.

Article 59 - The conscripts who according to paragraph "J" regulations of Article 44 of the General Conscription Law have used 5 or more years of temporary exemption when their unmarried sister reached her 24th birthday, cannot apply for permanent military exemption and after the sister turns 24, they (the conscripts) must present themselves for military service.

Article 60 - All the independent regiments and other pertinent agencies, under no circumstances, will be allowed to issue any other guidelines dealing with the status of the conscripts other than the procedures which have been duly specified herein.

Article 61 - The conscripts will be divided between various armed forces units by drawing of lots according to predetermined quotas. However, the Revolution Guards Corps and the Islamic Revolution Komiteh can

receive up to the limit of their quotas, specific number of conscripts which have been pre-selected. These conscripts will accordingly be introduced to the pertinent training centers and the remaining conscripts will be selected by drawing of lots.

Article 62 - The conscripts who are residing outside their place of birth and who refer to the pertinent military conscription offices in order to obtain medical or suretyship exemption, need to prove their residency to the conscription office in question.

Article 63 - For purposes of obtaining exemption, the proven statements of a conscript who claims to have a mother without a husband or that he has under-age brother and sister or that his father is over 64 years old, are mainly satisfactory conditions for his exemption, while other factors such as the level of income, employment and/or health of the other members do not have any effect for awarding an exemption.

Article 64 - The time-table for the induction of regular conscripts of each district who are not considered absentees will be the same month of the year which was used for that specific district in 1365 [21 March 1986 - 20 March 1987] and for other regular conscripts who are considered as absentees and who also possess a high school diploma, the date of their induction into military will be the same month they present themselves to the conscription office and they will have to serve a period of 3 months in addition to the regular full term.

Article 65 - The conscripts who possess a high school diploma will be drafted as follows:

1. The conscripts who were born in the first 4 months of the year in question will be inducted on October 10, 1987, those born in the second 4 months of the year in question will be inducted into military service on November 9, 1987, and those who were born in the third 4 months of the year will be drafted on December 9, 1987.

2. The non-absentee conscripts who graduate from high school in the month of Shahrivar [23 August - 22 September] will be drafted in the month of Esfand [20 February - 20 March] of the same year.

In conclusion, Colonel Razmjou stated: At the beginning of the month of Mehr [23 September - 22 October] of each year the General Conscription Department issues a communique in which the text of other communiques which have been issued during that year are reiterated and with the issuance of this communique other previous ones become null and void.

He also added: This is done so that the responsible officials of the general conscription departments throughout the country would not have to go back searching for the contents of the previous communiques

which were issued during the year in question. Since after receiving the latest communique they will be informed of the new changes and decisions accordingly.

12719/09599

#### Ministry Starts Drilling in Caspian

46000038b Tehran KAYHAN INTERNATIONAL in English 4 Oct 87 p 1

[Text] Tehran, Oct. 3 (IRNA)—Iran is to start drilling operations for exploration of oil and gas resources in the Caspian Sea region by chartering drilling machinery from the Soviet Union, the Oil Ministry announced here today.

The decision was made following earlier talks between Iranian and Soviet officials on purchasing and chartering equipment as well as providing technical services needed by the Oil Ministry to carry out the operations. The Soviet 'Techno Export' company has agreed to provide the equipment.

On light of Tehran-Moscow bilateral cooperation, exploration of oil and gas resources in the southern parts of the Caspian Sea is expected to be successful.

/9738

#### Worsening Economy Seen in Reduction of Public Transportation

46400017b London KEYHAN in Persian 22 Oct 87 p 8

[Text] The number of registered transport vehicles in various Iranian cities during the past year was 102,803 units which, when compared with the year 1364 [21 Mar 1985-20 Mar 1986] constituted a 43.8 percent drop. According to a report prepared by the economic statistics office of Iran's Bank Markazi, in the year 1365 [21 Mar 1986-20 Mar 1987] there were 102,803 [as published] motor transport units in various Iranian cities. A comparison between this figure and the number of automobiles and other means of transportation in the year 1364 points to a 43.8 percent decline. Bank Markazi's statistics publication shows the following percentage drops for transport units: passenger automobiles 47.8; taxis and rentals 61.7; buses 47.5; load carriers including trucks, vans, and small load haulers 54.5; and motorcycles 9.5 percent. The economic statistics report prepared by Bank Markazi indicates that the total transport unit figure for last year in percentage figures breaks down to: 37.4 passenger cars; 1.1 taxis and rentals; 4.3 buses; 29.3 load carriers; and the remaining 27.9 covers motorcycles. The figure for buses includes mini-buses and ambulances. In 1365, 41.8 percent of the motor transport units were in Tehran while the remainder were in the other provinces of the country.

Bank Markazi's office of economic statistics report noted that last year the number of motor transport units dropped sharply in all provinces of the country. The

greatest drop was registered in the provinces of Hormozgan (81.1 percent) followed by the provinces of Sistan and Baluchistan; Kuhkuliye and Boyarahmad; and Ilam (69.9, 67.6, and 62.6 percent) respectively.

Economic experts point to the drop in registered transport units in Iran as an indication of the gradual impoverization of the people and the ever-increasing fall in their purchasing power.

Over the course of the last few years, with the delirious rise in automobile prices and the prohibition on the import of some types of transportation units, many people were deprived of access to such transportation. At the present time one must pay approximately 300,000 tumans to purchase one Peykan automobile and the price of some types of automobiles is up as high as several million tumans.

13041/09599

#### **Plastic Industry Seen in Need of Government Assistance**

46400034a Tehran ABRAR in Persian 24 Sep 87 p 9

[Text] In the year 1362 [21 March 1983 - 20 March 1984] the Melamine Industries and Affiliated Industries Cooperative Company was formed with 42 million rials capital by 39 members with industrial and production permits, with the cooperation of the Central Cooperative Organization and based on Article 44 of the Constitution. Fortunately, with the persistent effort of the board of directors and its members and with fruitful cooperation and guidance from the respected officials of the Central Cooperative Organization, its membership has now increased to 115 factories throughout the country and its capital has grown to 86.5 million rials.

#### **Goals of the Melamine Industries Cooperative Company**

Concerning this cooperative's goals, a member of its board of directors said: These goals may be summarized as follows: Raising the rate of growth in quality and quantity of the nation's melamine industries in all areas and in comparison to comparable industries in the advanced nations, to build a factory to produce melamine powder, enamel powder and urea powder, the production of high-quality melamine products in accordance with international standards, the creation of border sales outlets and melamine products for export after domestic needs are met, supervision of the distribution of melamine dinnerware and the retention of officially designated prices, training and raising the level of technical and scientific knowledge of members and specialist workers, and finally participation and investment in production, industrial, commercial and service activities, with the nation pursuing the aims of Islamic economy and the policies of cooperatives in cooperation with the government and private sectors.

#### **Melamine Industries in the World**

He added: The melamine industry is an important part of the plastic industries. It has extensive applications in the industrial and advanced nations in industry, scientific research, health, communications, administrative work and dinnerware. The industries necessary for the world's melamine industries include:

Petrochemical industries, wood and paper industries, industrial machinery, hydraulic machinery, industrial molds, and machinery for producing engraving and ornamentation.

#### **Melamine Industries in Iran**

Another member of the cooperative company discussed the short history of the emergence of this industry in Iran. He said: The melamine industry in Iran has a 30-year history, and because of the extensive resources and experience it has obtained in the areas of industry and production during this period, it is more advanced than all the nations of the Middle East, the Indian sub-continent, Africa and even Eastern Europe. For this reason, Iran can export products and even technology to all the nations in these regions.

He discussed the potential and the actual state of the melamine industries in Iran, adding: The nominal annual melamine production capacity in Iran is about 50,000 tons (capacity of cooperative members is 35,000 tons, and that of the government and private factories is 15,000 tons); there are about 2,500 hydraulic presses in the country, about 90 percent of which were built in Iran, the other ten percent in Europe, America and the Soviet Union. No hydraulic presses for melamine products and for making plugs and sockets have been imported for about five years. Self-sufficiency has been achieved in this area, and we are now able to export hydraulic presses and Iranian-made molds.

He added: About 7,500 European- and Iranian-made molds are now in use in the melamine industry. Fortunately, self-sufficiency has also been achieved in this area and we also have export capability. With respect to specialists in this new technology, the specialists and employed persons in this industry now number about 10,000, about 500 of whom are specialists and technicians. Including their families, they number 50,000, and including workers in affiliated industries there are about 100,000 persons who are supported by this industry. The money invested in the melamine industry totals 12.5 billion rials, and this figure shows the importance and wide extent of this industry.

He discussed the percentages of self-sufficiency and dependence of the melamine industries on machinery and raw materials. He said: About 90 percent of the machinery for producing melamine products and the special molds for melamine container products and other industrial parts are made within the country.

Currently 6,000 tons of melamine powder are produced within the country annually. This figure is one-eighth of the melamine powder needed by the nation's melamine industries.

He added: The special paper for decorating melamine containers (which is necessary for the preservation, sanitation and beauty of dinnerware) is imported, and the other work, including design, printing and production of melamine crystal is done in Iran, while the enamel needed by the machine hoppers is imported.

#### **Amount of Foreign Exchange Needed by Melamine Industries**

A specialist from the cooperative discussed the foreign exchange needed by this industry. He said: The foreign exchange needed by this industry, when the foreign exchange situation is normal and it is allocated according to full capacity, is more than \$90 million, of which the cooperative's share will be about \$65 million. However, because of the problems arising from the imposed war, the foreign exchange shortage and other matters, the maximum foreign exchange allotted to the cooperative has been \$20 million, a figure that covers a maximum of 30 percent of the nominal capacity of the cooperative's members (in 1365 [21 March 1986 - 20 March 1987] and 1366 [21 March 1987 - 20 March 1988] the cooperative received no foreign exchange allocation, and in 1364 [21 March 1985 - 20 March 1986] the foreign exchange allocated to members was reduced again. Most cooperative members were unable to obtain raw materials for more than five percent of their official capacity. Currently, of about 150 factories producing melamine products throughout the country, due to the unavailability of raw materials about 95 percent of them are closed and it is highly likely that the remaining five percent will be closed by Dey [22 December 1987 - 20 January 1988] of this year.

Concerning the importance of this industry and the necessity for its continuation in our nation, a cooperative member said: In view of the statistics presented in the 1365 [21 March 1986 - 20 March 1987] census, the nation's total population is about 50 million persons, which amounts to more than 10 million families.

Therefore if we assume that three-quarters of the 10 million families in the nation already have plastic dinnerware, and for the next year they will have no need of procuring dinnerware, although in view of the changes in five provinces brought by the war this need is certain to arise, then one-fourth of 10 million families, or 2.5 million families will have a continuous annual need for dinnerware. That means 2.5 million china sets, earthenware vessels, steel containers, copper containers, zinc containers, or melamine containers. Can 2.5 million vessels of china, steel copper, zinc or earthenware be produced within the country or imported? In view of the final price, beyond that could these 2.5 million families,

90 percent of which are of low-income and oppressed sectors of society, afford to buy such vessels, or if they did would it be economical for them?

He added: In view of the statistics in some countries on the consumption of melamine dinnerware, the use of melamine dinnerware has become very widespread because it has been identified as better hygienically than other types (except china and earthenware), and economically it is much more affordable for families than other types. It rarely breaks. For example, for the money that it costs to polish a copper plate for a year one can buy a plastic plate (the price of a plastic plate is about 130 rials).

In view of the above, because of the low production of other types of ware in the country and their lack of economy, currently the best and most affordable dinnerware for 2.5 million of the families in our nation is dinnerware made from melamine.

In the event that raw materials are obtained, there are now 115 factories who are members of this cooperative that can produce these vessels in relatively good quality observing the regulations of the standards institute and distribute them in the provinces under the supervision of the cooperative and the provincial industrial offices.

#### **Proposals and Solutions**

With regard to this another member of the board of directors said: Under present conditions it is necessary that authorization be given in the shortest time possible to the cooperative company to use export foreign exchange to import about 5,000 tons of powdered melamine for 115 member factories throughout the nation, and to meet part of the needs of the people for dinnerware by producing these items. Unfortunately, however, at the present time authorization is not given to import powdered melamine even with export foreign exchange. In Iran now there is only one factory producing powdered melamine, the Qods Chemical Industries Plant (formerly Persepolis) in Shiraz, with an annual capacity of 6,000 tons. It meets some of the need of the government factories with a very low-quality and very high-priced product (the price of powdered melamine produced at this factory is more than 40 percent higher than that of the powdered melamine of the best German factory).

He continued: In accordance with Ministry of Industries documents, in 1364 [21 March 1985 - 20 March 1986] this cooperative applied for permission to build a powdered melamine factory. The application was not accepted at first, and finally with a great deal of persistence they agreed that it could be built with export foreign exchange. In view of the amount of investment that would be required to build this factory with export foreign exchange, its construction is almost impossible without government help. If approval is given for this factory to be built with government foreign exchange, its

annual production capacity will be 10,000 tons of powdered melamine, powdered enamel, urea and various industrial adhesives. At the same time four percent of the machinery needed by this factory can be built in Iran by Iranian industrialists who are cooperative members, and the cooperative will not have to pay a license fee to build this project.

He added: This cooperative will not cooperate with any foreign vendor or producer, because the foreign exchange needed for the remaining 60 percent of the project to build the factory is \$18 million.

In another portion of his talk, he said: With the participation of its 115 member factories, the melamine cooperative can make all the investments in rials, commitment and technology, because it has sufficient experience in this area, and in view of the amount of foreign exchange the cooperative needs annually to import raw materials, the foreign exchange needed to build this factory can be procured, because this amount is 50 percent of the nominal capacity foreign exchange allocation for a year for cooperative members, considering the foreign exchange needed to manufacture powdered melamine, which is about \$750-\$800 per ton. With the construction of this factory, the cooperative would be able to achieve the following results:

1 - Within two years the foreign exchange spent to buy powdered melamine for members would be recovered through domestic production.

2 - In subsequent years 50 percent of the foreign exchange used in this industry would be eliminated.

3 - About 10,000 skilled and semi-skilled workers would not be unemployed and about 100,000 people dependent on this industry would not be struggling to survive.

4 - About 12.5 billion rials invested in this industry would not be wasted.

5 - A great quantity of dinnerware needed by the people as well as a significant number of industrial parts usable in the electrical and other industries would be procured.

6 - With the establishment of this factory with the participation of the production units belonging to the people, this would be the first cooperative to go into operation and will be a pioneer in cooperative investment in the mother industries.

7 - With the growth of the nation's petrochemical centers in Bandar-e Emam, Arak and elsewhere, day by day the cooperative's dependence on imported raw materials for manufacturing powdered melamine would be reduced, and if resources were available it would even be able to export powdered melamine.

8 - By establishing competition for the Qods Chemical Industries plant, the only factory in the country, the production of this product would no longer be a monopoly, and there would be an inevitable rise in quality and quantity.

9 - While creating employment and procuring raw materials for the melamine, paint and wood industries, it is hoped that with the strengthening of the Chuka factory in the north and the growth of the petrochemical centers, the rate of our dependence on imports would decrease daily, in terms of the raw materials needed by the powdered melamine factories and other things as well, including melamine crystal, 45 percent of the cellulose petroleum, cellulose, and 32 percent of the wood and methanol, and 100 percent of the petrochemical by-products, which can in the first stage be made into methanol which will be produced at the Bandar-e Emam and Arak petrochemical plants, and likewise to cellulose, which can be produced at the Chuka complex.

In conclusion he expressed his hope for victory of the combatants of Islam in the imposed war. He said: We hope that with attention being given to the role and accomplishments of this cooperative and the announcement of the problems and problems put forth in this talk, on the occasion of War Week this cooperative will be able, with the removal of a few of its problems, to play a small role as a link in the chain of cooperatives in the matter of the country's production. It is so clear that more attention to the principle of cooperatives along with government and private sector economics can be constructive and helpful in solving most of our economy's problems.

With the hope of serious and practical attention to the goals, existence, legitimacy and suffering of the cooperatives.

9310

#### Housing Ministry To Assign Land To Needy Dwelling Applicants 46400033 Tehran ABRAR in Persian 14 Sep 87 p 10

[Text] Yazd—Based on a 2-year scheduled program, the Ministry of Housing and Urban Development has undertaken 220 projects with regard to the preparation of 16,000 hectares of land in various cities throughout the country. After the execution of preliminary preparation program the various plots will be assigned to 400,000 families who have applied for land and housing.

Engineer Kamrava, deputy director of the Housing Department of the Ministry of Housing and Urban Development in an interview while making the aforementioned statement, further added: For the preparation of these plots of land an equivalent credit of about 160 billion rials have been allocated and they have been selected from among plots within the city limit or some from the divided lots in the close vicinity of towns. The

preparation program will consider securing and provision of such necessary services as a network of potable water, power, sewer system, re-directing and collecting rain water run-off, building and paving of access roads and other similar amenities.

He went on to say: The investment in these projects will not put any pressure on government credit allocation since according to the scheduled program and based on the type of services which are going to be provided for the people, with proper regard to the financial capability of the applicants some of the costs and expenditures will be collected by installment.

He further stated: On the other hand, for those individuals who would like to become home-owners through a special saving account with the Housing Bank, certain exceptional facilitating measures have been considered by the said bank and every effort will be made—with due consideration to the existing problems in the way of construction of dwelling homes—through the aegis of Article 67, single-ownership homes will be built and assigned to the eligible applicants at reasonable prices and with favorable banking services. Furthermore, it has been arranged with the banks so that a long-term loan of up to 6 million rials could be awarded using the deed as a collateral, and another loan of up to 2 million rials as guaranteed credit will also be provided to the housing applicants.

Moreover, the banks will help provide up to 80 percent of the total cost of home construction and in this regard, during the current year, an amount of 300 billion rials credit allocations have been duly assigned. He further noted: At present a large number of homes are built on one-at-a-time basis which creates certain problems for the housing cooperatives. In this regard there is a plan afoot so that these cooperatives become properly equipped to extend their cooperation in the matter of home-building and not only grabbing of the land and using it for other purposes.

With regard to building materials as the single most important factor in the construction of buildings, Engineer Kamrava stated: For the construction of a single house at least there is a need for 100 various items and when even a few of these items are not available the construction work can come to a halt; therefore, provision of building materials translates into activating of all the various sectors of construction industry which in reality consist of a major sector of the production industry of the country.

With regard to the dependency of some of the industries which are producers of building materials, he said: According to a resolution approved by the Council of Ministers a certain commission in charge of policy making for building materials composed of members from the Ministries of Housing and Urban Development, that of Industries, Heavy Industries, Mines and Metals, Commerce, Plan and Budget and the Central

Bank studied the relevant issues of building materials during last year and identified its critical and weak points and accordingly proposed the appropriate rial and foreign exchange investment allocations. He further expressed hope that with due consideration to the known exigencies, some steps could be taken toward removing part of the pertinent problems.

The deputy director of the Housing Department of the Ministry of Housing and Urban Development with regard to the execution of relevant services for the housing units which are assigned to the people stated: Formerly, the land was put at the disposal of the people and they would decide to build a home, and likewise the government through utilization of oil income was obligated to provide certain services such as water, power, access roads, schools, infirmaries, and other similar amenities; however, now our policy aims at minimizing our dependency on oil revenues since these revenues must be spent on production and more fundamental issues.

12719/09599

## NEPAL

### Royal Nepal Aircraft Detained at Calcutta Airport

**Seizure, Search Termed Deplorable**  
*46000029 Kathmandu THE MOTHERLAND in English 18 Nov 87 p 3*

[Text] Why a Royal Nepal Airlines aircraft in transit from Hong Kong to Kathmandu should be detained and searched at Calcutta airport is indeed a mystery. Whether our government will take this up as a protest has to be watched. But a refuelling stop at an international airport by an aircraft in transit would seem hardly a matter of Indian concern especially since such stoppage is routine and does not involve embarkation or disembarkation of goods and people at this airport. Considering moreover that the plane was a charter for British Gurkhas the implications do appear somewhat disconcerting.

This moreover brings out a salient vulnerability of this land-locked country which must look to the air as option for direct contacts with third countries. Of late, we seem to have lost the political point of encouraging direct long distance routes with alternative for refuelling stoppages and the Indian action in Calcutta only underscores this. Although we have, admittedly, gone into the latest in aviation technology with the acquisition of the Boeing 757, concepts ingrained in long distance aviation such as bulk cargo and refuelling needs have somehow have been skipped over. Given the fact that the stoppage at Calcutta was necessitated only for refuelling purposes, it now becomes obvious that we must take concrete measures by which the fancy of another country does not

affect us and our obligations to third countries in any way. The mystery apart, there is every reason for us to deplore such unilateral action on part of the Indian authorities.

**Delhi Said 'Sending Signals'**  
*46000029 Kathmandu THE MOTHERLAND in English 19 Nov 87 p 3*

[Text] Reliable reports available here suggest that the sudden detention at Calcutta airport by Indian customs authorities of a Royal Nepal Airlines Boeing 727 carrying homeward bound Nepali in British Gurkha service was on available legal grounds. In the 19 or so hours at Calcutta it is said that Indian customs authorities searched the luggage and bodies of these servicemen and objected to their carrying gold not declared in the airplane manifest. The soldiers were carrying gold no doubt, but it was in amounts permissible in Nepal representing a lifetime's earnings of a Gurkha soldier in the British army.

The Calcutta customs should see fit to board Nepali aircraft on a technical landing at their own initiative is a tall story. The more believable is that Calcutta did so presumably at the orders of New Delhi. The question is why? Should this action, be seen on its own merits, there is no justification. What was merely routine has been disrupted without much cause for doing so. But, presuming that New Delhi is sending signals with the action by implication, then the Calcutta incident carries meaning.

Whether it be for contraband, explosives or, even, the mundane matter of yellow metal, what has happened at Calcutta should not be viewed in isolation. This sinister demonstration of Nepali vulnerability must be seen as such.

/12232

**PAKISTAN**

**Correspondent Gives Impressions of Visit to Afghanistan**  
*46560007a Islamabad HURMAT in Urdu 10 Oct 87 pp 27-28*

[Column by Zamir Nafees: "Revelation About U.S. Conspiracy To Destroy Afghanistan"]

[Text] Since the first Soviet soldier entered Afghanistan probably there has not been a day when Pakistani newspapers have not published some news about Afghanistan. The source of most of these reports invariably has been diplomatic circles or a traveller from Kabul. In these circumstances the seriousness of the situation is often exaggerated. With this background, when my newspaper informed me that I would be accompanying the head of the Istiqlal movement, Air Marshal Asghar Khan, retired, to Jalalabad and Kabul

via Peshawar, I made preparations as if I were going to a battlefield. I was not meeting friends to make a list of their gifts, but I was in fact giving them advice as if it were my last testament.

We arrived in Jalalabad from Peshawar on 29 August for a 6-day visit after crossing the border at Torkham. After Torkham, we arrived in Gulmarg where we were received by the governor of Gandhar Province, secretary of the party Mohammad Anwar Isar, officer in charge of higher education Burhanuddin, and distinguished tribal leaders. Our delegation included three other journalists besides me—a total of nine in our delegation. At the end of the reception we proceeded on our journey in seven vehicles, three of which were military jeeps, so Western news media started the rumor that we had been attacked by mujaheddin. When I heard this on my return I could not help laughing because at the time I had been travelling in one of those jeeps along with other journalists and some Afghan friends. At my request the jeep stopped a number of times; whenever I saw a scenic view, I asked that we stop, so that we lagged behind the main convoy by about 1.5 kilometers. You can judge how news reports spread by the fact that on the way we saw a GT [government transport] Peshawar bus on its way back to Torkham.

On reaching Jalalabad I was reminded of two recent reports. One told of an explosion that took place in Pakhtoon Chowk on 23 August, killing 123 people, and the second spoke of an explosion at Jalalabad airport that destroyed the runway and four planes. When I reached Jalalabad I mentioned these reports to my hosts; they said that if 123 citizens had been killed they would be observing national mourning. As for the airport incident, they said I could go and see it for myself. We left Jalalabad for Kabul by plane. At the airport we did not see any signs that would verify the truth of these news reports. During the flight my host said he hoped that by now I was satisfied.

Clashes between mujaheddin and Afghan Government forces often take place on the mountain ranges adjoining Pakistan's borders, because the mujaheddin return there after completing their operations. In contrast, the mountain ranges adjoining the Iranian border are relatively quiet. The Afghan authorities complain that Pakistani territory is allowed to be used against them. According to them, foreign military officials are providing military training and weapons to the mujaheddin. The Afghan Government has no complaints about Iran because that country has given them land but does not allow them to use its territory as a base for carrying out military activities.

The Afghan people have deep friendly sentiments for Pakistan and its people. It saw Pakistani dates and dalda in many shops in Kabul. I inquired about the price, and I was told that a 5-kilogram can of dalda cost 72 rupees. I was surprised because when I was leaving Pakistan the

price there was 68 rupees. I had expected the price in Kabul to be at least 80 rupees. The Afghan shopkeeper stated that since they buy shortening, rice, bread, cloth and almost everything required for subsistence from Pakistan, they could not be against Pakistan. He added that it was the United States that was misleading Pakistan. He stressed that the people of Pakistan wanted to make peace with their Afghan brothers, but the Pakistan Government, under U.S. pressure, did not want peace. He said that the Afghan people are currently enjoying every facility: arrangements have been made for free education and freedom of religion. Veiled women are seen on the streets as well as skirt-clad women. The mosques are full of people, and calm and quiet prevails everywhere. Everyone is calm and quiet, but they are seriously concerned that Pakistan does not have good wishes for them.

Baluchis and Pakhtoons celebrated unanimity and friendship day in Kabul on 31 August. The so-called Pakhtoonistan flag was hoisted on this occasion. All of the high-ranking officials, including Dr Najibullah, were present. Ajmal Khattak was applauded several times during the course of his speech. Among the audience there were some 200-300 young girls who raised enthusiastic slogans. There were some students who had come from Pakistan. Speeches were made in favor of Pakhtoonistan, and then the people dispersed peacefully, carrying with them photographs of Bach Khan, Wali Khan, and Ajmal Khattak.

Ajmal Khattak lives like a king in a palatial building in Kabul situated in the same area where all of the high-ranking government officials reside. We had made an appointment for an interview with him, and when we reached his residence the guards at the gate welcomed us and reported our arrival over the intercom.

Ajmal Khattak appeared very relaxed and at ease. He asked us about the health and well-being of some of his friends in Pakistan. We then started exchanging views surrounded by the pleasant aroma of Kabuli green tea. Ajmal Khattak repeatedly said that the Pakistan Government was playing into the hands of the United States and that Pakistan was taking the path of suicide. He said that Pakhtoonistan was the only way to safeguard the safety and security of Afghans on both sides of the border.

The Afghan authorities say that the majority of Afghans taking refuge in Pakistan and Iran are not aware of the real state of affairs. They say that Gulbuddin Hikmatyar and his colleagues deceived them by saying that the arrival of Soviet soldiers in Afghanistan endangered Islam, when in fact the Soviet soldiers came to Afghanistan as liberators. They say that the Soviet soldiers are serving Afghans and Soviet officials and do not even talk with ordinary Afghans.

I met Maj Rafatullah Tavakkali and his friend engineer Ismatullah Muslim by chance in Kabul. Engineer Ismatullah Muslim formerly lived in Quetta, and Tavakkali himself lived at the Naveed Hotel in Quetta. The readers will perhaps recall that at one time an Afghan pilot defected along with his plane. The authorities took the plane in custody and released the pilot. This young man was Jamaluddin, and after this incident he became known as Jamaluddin the pilot. These people got together, forming an army of 17,000 men and joined the ranks of the mujaheddin. In this way, engineer Muslim said, he came into contact with American officials. He met with Saudi and Egyptian military officers in the training camps set up in Pakistan. He was provided with rations, weapons, cash, and other facilities. Here he met an American by the name of Ernest Thomas Graham, who acted as liaison officer between the mujaheddin and American agencies. One day Ernest told engineer Muslim that the United States wanted to divide Afghanistan into two parts so that the Afghan mujaheddin could establish a government of their own in one part, and he said that if engineer Muslim were to support the plan he would be provided with all kinds of assistance and facilities. Engineer Muslim says he consulted with his friends and reached the conclusion that come what may, they would never betray their country, Afghanistan.

In the meantime, the Afghan Government announced a general amnesty and we started back home. While we were in Kabul, the Afghan authorities did not take any action against us, we were happy to find. Engineer Ismatullah Muslim is the commander of the Afghan army in Qandahar.

The general impression of Gulbuddin Hikmatyar is that he is a very zealous religious man who is protecting the interests of the United States. One journalist said of him that the Soviets believe that if he were allowed to have his way, he would stand on the Soviet-Afghan border and call for prayer over the loudspeaker.

09315/09599

#### **Asghar Khan's Visit To Kabul Said To Inspire Others**

46560007b Islamabad HURMAT in Urdu  
10 Oct 87 p 32

[Column by Waqar Usmani: "Lahore"]

[Excerpt] Industrialist A. K. Nasser gave a reception to celebrate the safe return of Asghar Khan, the leader of Tehrik-i-Istiqlal, from his pilgrimage to Kabul. In addition to others leaders of Tehrik-i-Istiqlal, the reception was attended by the leaders of parties forming the MRD. During the question and answer session following speeches, in reply to a question by Begum Mumtaz Rafie about the freedom of women in Afghanistan, Asghar Khan said that he would take her with him during his next visit and she would be able to ascertain for herself the conditions of women in that country. From Asghar

Khan's reply, people gained the impression that he did not meet any Soviet soldiers in Afghanistan, nor did he come across any mujaheddin, or for that matter any women, either. The question that arises is why the Afghan Government hid these three entities from Asghar Khan. When he was asked how it was that when the whole world says that Soviet soldiers are present in Afghanistan he could not see them and whether he could see U.S. soldiers in Pakistan, his reply was very interesting. He replied that he had heard a lot about the presence of U.S. soldiers in Pakistan and that while he had not seen any American soldiers, he still believed that American soldiers were present in Pakistan. Other political leaders have been inspired by Tehrik-i-Istiqbal leader Asghar Khan's visit to Kabul, and they are becoming less afraid of mujaheddin and Soviet soldiers. Thus, any political leader interested in going to Kabul just holds a press conference and says that if he were extended an invitation to visit Kabul he would most certainly avail himself of the opportunity. The very next day an invitation comes from the Afghan Consulate, just as a protest note is handed to the Afghan consulate in response to bombardment by Afghan planes. Ghulam Mustafa Jatoi and Maulana Shah Noorani have received invitations to visit Afghanistan in response to expressions of their desire to visit that country. Maulana Noorani made a very interesting remark in which he said that 95 percent of the people of Afghanistan belong to "ahl-i-sunnat wal Jama'at" and that he would be going to Afghanistan to meet them. It is quite possible that Maulana believed in one country where he can propagate religion. During his political and religious tour of Afghanistan the Maulana may even establish "Jamiyat Ulema-i-Afghanistan." Nawabzada Nasrullah Khan, the leader of the Pakistan Republican Party, has also expressed a desire to visit Afghanistan at private gatherings. But he has just started a quarrel with the Pakistan People's Party, and this is keeping him busy. It is possible that he may receive an invitation to visit Afghanistan. If so, due to the Maulana's preoccupation he might ask to be excused until such time as the MRD is dissolved.

09315/09599

**VIEWPOINT** Commentary Views MRD 'Bedlam'  
46000040a Lahore *VIEWPOINT* in English  
26 Nov 87 p 5

[Text] Whatever their real reasons for seeking to dismantle or emasculate the MRD, the public explanations given by various PPP leaders for the party's strange maneuvers are difficult to accept and not even easy to understand. Emergence of the Movement more than six years ago owed a great deal to the courageous initiatives taken by Begum Nusrat Bhutto, and during the harsh period of naked Martial Law the coalescing parties, big and small, gave strength and some direction of the people's resistance to dictatorship. However, since last year the Alliance has begun to falter and lose its momentum and, more recently, it has shown signs of slow disintegration. Differences have arisen over strategy and

tactics, over the MRD's organizational structure, its day-to-day functioning, and now even its basic aims are in dispute. The more gullible seem to believe that the MRD has lost its *raison d'être*, while for others the formal end of Martial Law seems to have fostered illusory visions of the easy accessibility of shortcuts to power. Many MRD stalwarts seem to be losing sight of its original goals which have not yet been reached and—with the weakening of the Alliance—are, perhaps, becoming more distant. Instead of earnestly trying to iron out these differences, MRD leaders have engaged themselves in meaningless polemics and petty squabbles over trivial points of prestige. Hence, the bedlam witnessed at the MRD Executive meeting in Karachi last week.

While some other MRD partners cannot be absolved from blame, particularly because the PPP is still the country's largest party it bears the main responsibility for the present unsavory situation. However justified its grievances may be against the leaders of certain other parties, and however irksome their reluctance to learn to live with the reality of their ineffectiveness, the PPP leadership can certainly be faulted for ignoring the basic essentials of a united front. Seemingly, it now seeks to break away from the Alliance without having to accept responsibility for what would generally be seen as a catastrophe. The PPP has, therefore, studiedly defied decisions taken jointly; it has raised the underdefined demand for weightage or a special status, something that is never sought within the framework of a united front established for a limited purpose (and is not meant to be an electoral alliance); and, apparently, it is ready to go along with the present system instead of trying to change it.

No lessons having been learnt from the dismal Mian Channu experiment, the party has rushed unthinkingly into the local body arena. It is expected, presumably, that by sweeping the local body polls, the PPP will raise its stature as the country's leading party. This is unlikely to happen on both counts. The clean sweep hoped for will not materialise; and the required methods employed to win a large number of seats will not improve its political image. If local body elections had to be contested in order not to leave a vacuum and to expose the hollowness of Government's claims for its half-baked policies, the whole Alliance should have done so on the basis of a political programme. For any one party to enter the lists on its own will mean little even if some of its nominees are elected on the strength of ethnic or tribal ties, factional alliances, or the purchase of votes—competing with the ruling party on its terms and using its methods. The administration will anyhow be working against all opposition candidates, and the sword of disqualification will hang over their heads. Thus, this risky venture holds promise of little or no political gain.

The history of struggles against authoritarianism offers many lessons—of which the most obvious is that all parties genuinely interested in the establishment of

democracy must learn to work together until their common aims have been realised. As proof, many examples can be cited, the latest and nearest being provided by Bangladesh. Pakistan's circumstances clearly make the need for such national cohesion more vital and exigent. Plainly, no one party can single-handedly fight and win the battle for a genuinely democratic policy. What is more, the stabilization of democracy will require the close cooperation of all parties which believe in democratic principles—both in order to gain and retain power. Further, no instant solutions are available for Pakistan's accumulated domestic problems—political and economic—or the international crises in which it has got embroiled. Solutions can be found only on the basis of a national consensus fostered by all democratic forces. Can Pakistan's political parties henceforth acquire a better understanding of their responsibilities to the country and the people they claim to represent and wish to serve?

/9738

### Crisis in MRD Analyzed

46000037d Karachi DAWN in English 30 Nov 87 p 7

[Text] Like spouses who cannot live together but would not part, the component parties of the Movement for the Restoration of Democracy (MRD) have lately been squabbling in an unseemly manner. The present discord emanates largely from the Pakistan People's Party's disenchantment with the nine-party alliance which it has been publicly articulating for some time. The changed attitude towards MRD reflects, more than anything else, a fundamental change in PPP's own political perception and strategy in the new circumstances. When MRD was formed in February 1981, the high noon of President Zia-ul-Haq's Martial Law, all political parties were operating in a situation of semi-illegality. The coming together of a group of parties to press for the restoration of democracy was a major development in that it marked collective defiance of the military regime's action in postponing elections twice, outlawing all political parties, banning political activities and imposing precensorship on newspapers. In spite of all this and other constraints and limitations, the alliance did manage to keep up pressure on the regime for a return to democracy and lifting of Martial Law. In doing so, it did make some contribution towards at least the partial realization of this objective. But, obviously, the context warranting the earlier approach and strategy changed to a large extent following the lifting of Martial Law and the induction of a civilian set-up towards the close of 1985. With these two developments, a large degree of freedom has since been available to undertake political activity, including opportunities of establishing mass contact. The new situation naturally encouraged parties to embark upon their individual strategies to muster popular support in a competitive spirit. The mood of autonomous action confronted the alliance with the problem of dissonance when the PPP gradually veered round to the strategy of using the medium of existing institutions rather than

agitation as a method for achieving its objectives. The other alliance partners, however, stuck to the view that the lifting of Martial Law had not led to full democratic revival through free and fair elections under the Constitution of 1973, and as such, the MRD must continue to exist to persevere towards that goal. In this perspective, the PPP's decision to follow a different path for achieving the same objective and, more particularly, its inclination to take part in local bodies' elections, was bound to create a cleavage within the alliance.

These tensions assumed the nature of a crisis in August with the holding of the All-Parties Conference in Lahore with the blessings of the JUI, a component party of the MRD, the APC turned out to be a near disaster. The PPP had reasons to be suspicious about the intention behind that controversial move. Ms Benazir Bhutto later revealed that four of the nine parties in the alliance had voiced their reservations about the APC idea which, in any case, was an ill-advised move and hastily planned. After the APC, there were clear indications that the PPP was seriously contemplating to quit the alliance. Professing to be speaking in his personal capacity, Mr Rao Rashid, a central leader of the party, argued that the MRD had served its purpose and now deserved a 'decent burial'. Pointing towards the preponderance of small parties within the alliance, with an equal status and say in all matters, the People's Party Co-Chairperson suggested a procedural modification, giving the three larger parties (PPP, ANP and JUI) weightage in decision-making. Her point was valid and logical, but with relations between the PPP and the rest of the MRD having already reached the point of near rupture, the argument failed to get across.

It was against this background that the Central Executive Committee of the MRD met in Karachi some days ago, primarily to consider the PPP's attitude towards the alliance. An added note of discordance was introduced by the PPP's decision to downgrade its presence at the meeting. The PPP delegation made it known that in the future the party would be present at the CEC meetings only as observer but would not take part in them or attend any other MRD deliberations. This is as good as reducing relations with the alliance to a mere formality. Mr Bhutto said later that the PPP would not be bound by the decisions taken at the Karachi meeting. She also accused some component parties of raising irrelevant issues and creating confusion in the minds of the people. There is substance in this contention but in a different sense. Bickerings among the component parties are highly discouraging for all those who look to the MRD as an instrument of hope for fuller restoration of democracy. They would like the MRD members to sort out their differences through quiet negotiations if that is still possible and, in any case, refrain from trading accusations and airing vituperation in public. For the PPP, the logical option is either to quit the alliance without creating more bitterness or do all it can to help maintain unity and cohesion within the MRD. With the PPP and the rest of the MRD sharing the same objective, there is

hardly any basis for believing that the parting of the ways between the two is unavoidable. Their difference at this stage relates more to political strategy than to principles. This difference, though not unimportant, need not lead to a decision to break up the alliance in a huff. If the importance of broader unity is accepted as a vital factor, the scope and mode of the MRD's decision-making could perhaps be redefined and made more realistic in the new context to allow for greater freedom for individual parties to chalk out their independent policies and programmes broadly conforming to the alliance's line. Such an adjustment should not be too difficult to work out, for, after all, the MRD is an alliance with limited goals, and not a supra-party coalition as such. Hence, the idea of having a permanent structure of the alliance makes little sense.

It might even be advisable for the MRD to opt for a low-profile presence in the changed context and recede somewhat into the background, so that the component parties, which have separate and distinct identities, can canvas support for their own platforms and fashion their own strategies. In such a format the alliance could confine itself to matters strictly relevant to the common struggle for the restoration of full democracy. For understandable reasons, smaller parties may be more eager than the others to use the MRD cover for all their activities. That amounts to an admission of helplessness they must try to grow out of this dependence syndrome, develop self-confidence and devote more time and attention to doing their own mass contract. The need for the MRD's continued existence, if only as an umbrella organisation, is manifest from the growing threat to the political profession from the surge of ethnic, linguistic and regional forces. Personal differences and clash of personalities should not be allowed to foster further divisions in our policy. It would be wholly unwise to overlook the possibility that if political parties continue to remain divided and dissipate themselves through squabbles and recriminations they would risk being overtaken by an insidious combination of particularist forces and promoters and practitioners of authoritarianism waiting in the wings to strike at an opportune moment. We are just emerging from a long period of forced depoliticisation in which all living contract and the two-way traffic of ideas between the political profession and the multitudes had come to an end. One of the gifts of this period is the growth of narrower loyalties, disenchantment with the political process and the weakening of the national sentiment which it is the business of politics to sustain. The point to consider is whether the dismemberment of the MRD at this time will not add to the political frustration of the mass of the people and give a shot in the arm to divisiveness.

/9738

#### **Mumtaz Bhutto, Others Acquitted of Sedition** *46000040c Karachi DAWN in English 1 Dec 87 p 6*

[Text] Larkana, Nov 30: The District and Sessions Court, Larkana, has acquitted Mr Mumtaz Ali Bhutto, convener, Sindhi-Baluch-Pashtun Front; Mr Abdul

Hafeez Pizada, General Secretary, SBPF, Mr Rizwan Kehar, and other leaders of the Front, after hearing arguments of defence consul Nizamuddin Memon.

Mr Memon, talking to DAWN, said that the Front leaders had been charged with sedition and spreading hatred against the Government, and cases were registered by the Larkana Police under Sections 123-A and 124-A.

Later, during investigations, he said, Section 153 and others were added to the charges and the case was challenged in court of Resident Magistrate, Larkana. The court referred the case to the Sessions Court, Larkana, which issued notices to all the accused but they were only served upon Mr Bhutto and Mr Kehar, Mr Memon said.

Arguing the case, he had said that Sections 123-A and 124-A were not cognizable, and hence police could neither register the case nor challenge the accused without the prior permission of the Government. He had further argued that a sessions court had no jurisdiction to try the alleged offense against the accused. Therefore, Mr Memon said, he had prayed that the accused be acquitted without trial.

In this regard, the Assistant Public Prosecutor had submitted an application for the withdrawal of the cases against the Front leaders. Since the notices were not served upon the rest of the accused, the defence consul said he had taken the stand that the accused could be acquitted in their absence also.

The Sessions judge, Mr Nazar Mohammed Sheikh, after hearing both sides, ordered the acquittal all the accused.

On the day of the hearing, Mr Bhutto and Mr Kehar were present in the court.

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#### **Efforts To Weaken Parliamentary System Reportedly At Work**

*46560009 Lahore NAWA-I-WAQT in Urdu  
17 Oct 87 p 2*

[Article by Tariq Ismail: "Hidden Hands At Work To Weaken the Parliament"]

[Excerpts] Although the majority of members of the parliament belong to the Muslim League and the number of opposition members in the parliamentary institutions of the National Assembly and the Senate is also noteworthy, nevertheless, the impact of group politics is deep-seated in the minds of the members of parliament. In particular, the Muslim League members of the National Assembly, who apparently have links with the founding party of Pakistan, are divided into various groups. Rather than party loyalties, they attach more importance to group ties. Even ministers who claim to be unqualified Muslim League members are not surprised

when some members openly play the role of group politics in front of them. After the 1985 nonparty elections, when the parliamentary institutions came into existence, in order to make them obedient to some party discipline, Prime Minister Muhammad Khan Junejo revived the Muslim League in the parliament and in the provincial assemblies. Thus, an overwhelming majority of parliament members joined the Muslim League. In setting up the Muslim League to play the role of ruling party, however, the leadership of the Muslim League has been unable to achieve complete success. A few months earlier, the majority of these members had been anxious to knock at new political doors. After including their friends and relatives in the People's Party, they also assisted in forming the Pujero group within the PPP. Last year, when Benazir Bhutto came to Pakistan, this group rashly used its economic resources to enhance greatly the splendor of her reception.

The majority of members of parliamentary institutions were concerned about winning victory in the forthcoming general elections, and by staying in the Muslim League they exposed their party's political weaknesses. They made the 1970 election results the measure of success or failure in the future general elections. Based on this measure, they determined the lines of future successes and failures. But the success of the Muslim League in the recent Mian Channu local elections changed their way of thinking. They now believe that in order to smooth the path to success they will have to remain in step with the Muslim League in the future. They also realized that if they accomplish development plans in their respective areas, the voters of their areas will enthusiastically vote in their favor.

Despite this confidence, it seems that there is a hidden hand bent upon making a failure of parliamentary affairs. Some elements are openly spreading the rumor that the people have no confidence in the parliament. The absence of ministers from the National Assembly has become a daily routine; the ministerial benches appear deserted at almost every session. The members of the ruling party do not display keen interest in the proceedings of the Assembly. The prime minister finds excuses to be absent often from the National Assembly building. Khan Iqbal Ahmad Khan and Qazi Abdul Majid Abid are always present in the Assembly, but other ministers are often absent. The disinterest of the ministers is echoed in a motion concerning privileges by Shah Baligh-u Din, independent member from Karachi. This situation certainly cannot be considered pleasing for the ruling party. The majority of members of the administration party are busy creating a tempest in a teapot in the Assembly cafeteria, instead of in the Assembly. Islamabad is currently the target of rumors. For example, there is open discussion of the mutual relations between the president and the prime minister. Those who want to incite conflicts come up with big stories. In these conversations, the newspaper interview granted by the president of Azad Kashmir, Sardar Abdul Qayum Khan, comes up for discussion. In the interview,

he stated that the time has come for President Gen Muhammad Ziaul Haq to join the Muslim League, as there is no room for the establishment or stabilization of any new party in the country. Similarly, Sardar Sahib has also directly expressed the opinion that since the president is occupying the chief seat, the presidency of the Muslim League should also be entrusted to him. Among those sitting in Islamabad, the elements that are against political stability in this country want such a gulf of differences to be established between the president and the prime minister that the political leadership, with reference to the Muslim League, and the national leadership, with reference to the National Assembly, will slip from Prime Minister Junejo's control and be entrusted to purely nonpolitical hands. Regarding this plan, there are some members of the ruling party present in the Assembly who hold this view, but their number is not large. The National Assembly members who opposing the leadership of Prime Minister Junejo, however, are more active in this regard. Some of them cannot tolerate the very presence of Prime Minister Junejo. With reference to statistics, these same elements have calculated the stand of the Muslim League provincial leaderships in the face of these differences: all four chief ministers would either give preference to the prime minister's office over the presidency, or else they would place their own burden in the hands of the presidential palace. It is worth mentioning that strong "lobbies" of all four chief ministers exist in the National Assembly. The secret hands inciting differences between the president and the prime minister want the very existence of the parliament to be destroyed. Right now, the situation is such that a clear majority in the parliament is with the Muslim League, and Prime Minister Muhammad Khan Junejo is the leader of the Muslim League. Obviously, he, too, must be aware of this situation. Unfortunately, however, the Muslim League is not playing its full role as a ruling party, and the secret hands are benefiting from this.

Unfortunately, the authoritative members of the ruling party have been unsuccessful in adopting an effective policy whereby the parliament could achieve stability. What should have been done was to strengthen the hand of leadership. It is not a small joke that at times these secret hands stir up trouble by saying that NPP leader Ghulam Mustafa Jatoi has been offered the office of prime minister. It is ludicrous, to think that Mr Jatoi, who is not a member of parliament, could become the prime minister overnight. The opposition leader in the National Assembly, Sayed Fakhar Imam, in order to strengthen his political standing, has called for a meeting of those political leaders who boycotted the 1985 general elections. The opposition party invited the chairman of the People's Party, Miss Benazir Bhutto, to address a meeting in Rawalpindi. However, the hopes that the opposition parliamentary group had expressed to Miss Benazir have not been fulfilled. Raja Shahid Zafar from Rawalpindi and Haji Muhammad Yaqub Jadun from Mardan were for a considerable period in harmony with the People's Party. But when the parliamentary opposition group had to face defeat, the Sayed Fakhar Imam

group tried to get close to Ghulam Mustafa Jatoi. Sayed Hamid Raza Gillani, a sincere friend of Mr Jatoi, is already in the NPP; he realizes that weaknesses exist in the ruling party from which advantage can be taken. For some time Prime Minister Junejo has sensed that the members of the national and provincial assemblies have been entangled in group differences. Some members of the ruling party who have connections with Punjab are busy openly propagating the view that, in order to fulfill the demands of provincial freedom, the National Assembly members should stop interfering in provincial affairs. While some members of the National Assembly presently in Islamabad have disclosed that Prime Minister Junejo wants an end to these group differences, nevertheless, some elements, inciting these differences by arousing conflicts between the federal and provincial leaderships, are bent upon committing violations of party discipline. In the regional organizations of the Muslim League as well, the differences between the members of the national and regional assemblies have openly come into the limelight. It is clear that during future local elections a complication will arise among these very members on the issue of regional superiority and personal power. In this regard, the ruling party so far has not prepared any guidelines that could help to avert the possibility of clashes and confrontation. At present, the country's major issue is for the parliamentary institutions to be made stable. To this end, it is the duty of political forces working outside the parliament as well to perform a role that would destroy all dictatorial obstacles and lead to glory for democratic rule. This country cannot support a campaign that promotes dictatorship instead of democracy. The constant imposition of martial law has shaken this country to its roots. This has created differences among people living in various parts of the country. The sense of deprivation has also inflicted irremediable loss upon patriotism.

09779/09599

#### **Provincial Autonomy: Structural Changes Suggested**

46000037e Karachi DAWN in English 30 Nov 87 p 4

[Text] November 29: Two experts, one on constitution and the other on economic affairs, pointed out on Sunday the impediments in the way of provincial autonomy and recommended far-reaching changes in the Federal structure to give the provinces adequate powers.

Makhdoom Ahmed Ali Khan explained the adverse effects of the sweeping powers enjoyed by the President and Centre, consistent role of the judiciary in strengthening of the Centre, the difficulties of the provinces and impracticability of the "confederation" idea offered by the Sind-Baluch-Pushtoon Front.

Shahid Kardar came out with statistics to prove that provinces dependence on the centre was growing with the passage of time and their say in the state affairs was dwindling.

They read out papers at a seminar on "provincial autonomy: concepts and framework" held under the auspices of the Group 83, of which Abdul Hafeez Kardar is the Convener. Dr Mubashir Hasan, a former Finance Minister, was in the chair.

Makhdoom Ali Khan suggested that the President of the country should be elected each time from a different state, president and Governors should exercise their powers under advice by the Prime Minister and respective chief ministers, the President should have no power to impose emergency except in the event of a financial crisis or war and the Federation should have no authority to dismiss a provincial government or take over the functions of a provincial assembly.

The young constitutional lawyer further suggested that powers of the Senate should include the right to discuss and vote upon the money bills while the National Assembly should also have powers to vote on the administrative expenses and debt servicing. Size of the concurrent list should be trimmed and the Supreme Court should have the power to judicially review proclamation of emergency and determine centre—provinces or inter-provincial disputes.

Describing the smaller number of provinces as one of the main obstacles to the growth of federalism in the country, Mr Khan proposed carrying of more provinces on linguistic and cultural basis. This step, he hoped, would bring an end to the domination of one province over the others. "Increase in the number of provinces and reduction in their size will make them culturally more cohesive and more efficient to administer."

In his opinion the process of redemarcation of the territorial limits should be started from the Punjab as otherwise it would not be possible to change the boundaries of other provinces.

To allay the sense of insecurity among the smaller provinces, Mr Khan suggested equal representation to the provinces in the Federal Government. A beginning in this respect, he said, could be made by either electing both houses of parliament on the principles of parity or replacing the bicameral legislature by a unicameral parliament with an equal number of members elected from every region.

Mr Khan said his recommendations are "in the nature of bare minimum concessions which must be made if we do not want this house to fall apart."

Most of the sacrifices he continued, will have to be made by those who are in a position of strength in the present system. "If this federation is to continue into the 21st century, we will have to learn to share and learn to listen. It may be inefficient, it may be slow, it may force us to hear things, we don't like but there are times when there is no alternative to the noise and tumult of democracy," he remarked.

He was of the opinion that his recommendations for changes in the structure could be accommodated through amendments in the 1973 Constitution and a separate constitution was not needed for the purpose.

Mr Khan did not agree with the SBPF that incorporation of a secession clause in the constitution will be an effective deterrent against military takeovers.

He said, "The reasons for military interventions are always political and not constitutional. The army makes a bid for political power when the popular base of the civilian government has eroded and public opinion is unfavorable to the civil rulers."

"Any constitutional text, on its own, cannot thwart Praetorian ambitions. It is no stronger than our commitment to it," he held.

A confederation, Mr Khan noted, would increase those very risks which the SBPF wanted to minimise.

Mr Shahid Kardar enlisted the factors that could lead to a rise in the provinces' dependence on the Centre. provincial finances, he said, could be improved by introducing tax on agricultural incomes, enhancing charges for irrigation water, reintroducing capital gains tax and revamping property tax structure. The property tax, he maintained, should be linked to the market value of the property and the rate slab should be made more progressive.

The method of allocating tax collection costs should be reviewed on an urgent basis and the penalties levied and interest collected should form a part of the divisible pool, he said.

He said the provinces should be consulted before the income tax policy was finalised because tax exemptions and alterations in the income tax rates had an impact on their share. All taxes, he said, should be available for distribution from the divisible pool. There was no rational argument for segregating one kind of levy from the other, he remarked.

Referring to fundamental changes in tax structure, Mr Shahid Kardar said that sales tax at the wholesale stage could be considered on goods on which it was difficult to levy sales tax at the manufacturing stage. He said that of the total proceeds of customs duties, 75 percent could be reimbursed on the basis of the extent of final consumption. According to him, borrowings were necessary to build roads, buildings and to provide educational and health services. He said the Federal Government should transfer to the provincial government international loans on the same terms and conditions as received from international agencies. He further said that the provinces should be reimbursed all expenditures incurred by them.

Dr Mubashir Hassan identified three impediments in the way of provincial autonomy. These were: the concurrent legislative list, sweeping powers of the President and violation of the Constitution. He said three kinds of government were functioning in the country simultaneously: Federal, provincial and the Council of Common Interests. While under the Constitution, the Council had final say in all matters, it had never met ever since the promulgation of the 1973 Constitution, he added.

He did not agree with the speakers that Punjab could overrule other provinces by dint of its majority in the Assembly. Punjab had little powers and those it had, had never been used by it, he noted.

In his opinion, provincial autonomy would remain a myth until the provinces had physical power as well as the perception of power. Today, he said, the provinces lived in an era of incorrect perception of power. Those in power had failed to protect the frontiers of the country and save currency from gross devaluation. The rulers had equally failed in protecting the life and property of the people, he added.

/9738

**Issue of Tax on Agricultural Income Examined**  
*46000037e Karachi DAWN in English 29, 30 Nov 87*

[29 Nov 87 pp 7, 10]

[Article by Shahid Kardar]

[Text] The taxation of agricultural income has today become the subject of a heated debate in practically all opinion forums. With the Government desperately short of resources to even finance its day-to-day operations, let alone find funds to step up development activity, it has little option but to devise new ways of enlarging revenues.

In its quest for more revenues it has been forced by a variety of political factors to fall back on existing sources and instruments. This has evoked a strong protest from the affected segments of the economically active population. The business community (industrialists and traders) and a host of other sections (which now even include the World Bank) are crying hoarse over the need to tax agricultural incomes. The possible imposition of such a tax is being opposed by equally vocal and politically more powerful interests, including our rulers, parts of the bureaucracy, the bigger landowners and a chorus of voices which merely mouth Islamabad's claims that:

(I) Taxation of agricultural incomes through a Federal levy requires a change in the Constitution.

(II) As there is a ceiling on landholdings the incomes that accrue from agricultural activities should be exempt from taxation.

This article will attempt to examine these questions and other aspects of the debate (like the statement that agriculture is under or over-taxed), it will review the present and past methods employed to tax agriculture directly; it will also assess the validity of the argument that before agricultural incomes can be taxed the Constitution would have to be suitably amended, and finally it proposes a method for the direct taxation of incomes that accrue from agricultural activities.

### Direct Taxes

A brief historical review of the situation regarding direct taxes on agriculture reveals the reasons for exemption of agricultural incomes from taxation in the early days. In British India the land revenue was the main source of Government revenue. The British wanted to commercialise agriculture. They had to exploit the agriculture sector to finance a part of the industrialization process taking place in the home country. Hence, the imposition of a land revenue payable in cash was an attempt to force the farmers to sell a greater proportion of their produce in the market.

There is little doubt that by the time the British left India they had virtually exhausted the agriculture sector in the sense that it had hardly any taxable capacity. At independence, therefore, the agriculture could not bear the burden of additional taxation. And because it was unable to bear this burden in large investments had to be made in physical and social infrastructure to aid the development of agriculture to improve its health. This position, as will be argued below, has to a large extent been achieved.

After independence, the old basis of land assessment was continued. Under this system, districts were assessed separately. Each district was further broken up into areas that were homogeneous in respect of quality of soil and overall agricultural conditions. The assessed values were fixed over 40 years ago in the case of the Punjab and in the case of Sind 15 years ago. Under the assessment system uncultivated land was not liable to land tax. As the tax rate was fixed it could not accommodate yield fluctuations.

Since 1983, however, Ushr is payable instead of the land tax by Sunnis on land owned by them whereas the Shias continue to be liable to land revenue. Consequently over 95 percent of the land previously assessed for land tax is now liable to Ushr. Ushr is payable at the rate of 5 percent of the produce after deducting 1/3 of the total produce if the land is tubewell irrigated and 1/4 if rain fed. Its main limitation or weakness is that it is payable on a self-assessment, voluntary basis. Hence, it is of little relevance in our discussion. Our discussion will, therefore, focus on the old land revenue assessment system. Some of the arguments, however, in respect of the lack of progressiveness of the taxation instrument will also apply to the instrument of Ushr.

### Basis & Rates

The basis and rates of land revenue were fixed long ago. Consequently, its monetary value stagnated over time. The receipts grew at a much slower pace than the increase in incomes from agricultural activities. This was because the old land revenue system was assessed at a flat rate per acre. It was, therefore, structurally deficient. Again, it was not equitable as it was not responsive to the increase in the size of holding, production, prices or incomes.

As indicated above, the State became active in the late fifties and made various attempts to rejuvenate agriculture. It provided a number of services at subsidised rates, rural electrification, high-yielding seeds, fertilizers, pesticides, agricultural implements (particularly tractors), irrigation water, and farm credit. Water availability throughout the year and better availability of subsidised fertilizers, pesticides, etc., and concessional credit to finance these inputs improved yields substantially. As a result of the crucial role played by Government expenditure in the expansion of agricultural related infrastructure, land values, agricultural productivity, prices and incomes rose manifold. The State also played an important part in improving the terms at which the agriculture sector could exchange its products for manufactured goods. Despite the State's contribution to private prosperity there was no corresponding contribution from the main beneficiaries in agriculture, the bigger landlords. The rich farmers have, therefore, not made any contribution to Government revenues commensurate with the gains they have made since the Green Revolution; the Government's share of this huge private prosperity was insignificant.

Whereas the State provided the social and economic infrastructure required for promoting growth in agriculture through investment in irrigation, soil conservation, education, agricultural research, the beneficiaries made little direct contribution. The importance of this point has to be appreciated because given the highly unequal ownership of land the benefits that flowed from these socio-economic overheads of development widened the differentials in incomes and wealth.

Having examined the nature of the direct taxes on agriculture and their revenue generation limitations we will next move on to discuss some of the confusions that are prevalent and widely employed in defence of or in opposition to the imposition of an agriculture income tax.

One of the most common methods used by both sides is to show how the agriculture sector is under or over taxed as compared to say the industrial sector. However, the concept of a sector being under or over taxed (the ratio of taxes paid as a percentage of the sector's contribution to national income as against the same ratio for other sectors) totally confuses the issue regarding taxation of incomes. It is in this sense that some of the studies

conducted on behalf of the National Taxation Reform Commission are quite irrelevant to the debate on the necessity or otherwise, of introducing an agriculture income tax. From the fiscal point of view a sector is neither an income earning or a tax paying unit. The entire value added in a sector belongs to individuals, families or companies that operate in the sector and who are, in actual fact, the tax-paying entities.

Only the income earned by a tax-paying entity is relevant for determining its tax liability. In this context the identity of the activity or sector as the source of income is pretty much irrelevant. Those entities earning equal incomes should be treated equally irrespective of their sources of incomes. It is people who own businesses and it is they who are liable to taxation. Therefore, a sector can be stated as under or over taxed only in the sense that those in a particular income group on the basis of income earned from this sector pay less or more taxes than those falling in the same income bracket in other sectors. Hence, it is pointless estimating the tax burden of a sector to evaluate the equity of a fiscal system.

Another confusion is created by those who claim that as there is a ceiling on land holdings there is little justification for a tax. However, the ceiling applies to ownership and not to holdings operated. Land rented-in can add to incomes substantially without being liable for tax.

#### Exemption Limit

Furthermore, the opponents of a tax on agricultural incomes claim that as the bulk of the agricultural households, say 90 percent for the sake of argument, earn incomes below the tax exemption limit, there is no point in introducing such a tax. Such an argument, however, can also be made in the case of taxation of incomes from other sources. It is fairly obvious that it is only the top 10 percent agricultural households that are being favored and protected by exempting agricultural incomes from taxation.

Finally with the introduction of crop insurance another hurdle has been removed. It has now become exceedingly difficult for the opponents of agricultural income tax to legitimately argue for the continued tax exemption of high personal incomes earned from agricultural activities.

The tax paying capacity of the well-to-do in the sector can no longer be challenged logically. The reason for this permanent exemption is, however, of course political. It has nothing to do with economic reasoning. Having reviewed some of the confusions let us proceed to examine the anomalies in the existing system of taxing incomes and the manner in which our rulers are successfully introducing red herrings into the debate on agricultural income taxation.

It is by now well recognised that those earning high incomes from non-agricultural activities can, and do, by agricultural land for the purposes of inflating their incomes from agriculture and seek the exemption from taxes of a high proportion of their income. It should be fairly obvious to most that the exclusion of agricultural incomes from the determination of even the tax rate applicable on the non-agricultural income of a tax payer encourages the dishonest ones to exaggerate the share of agricultural incomes in their total earnings.

The tendency of a tax payer to dress up non-agricultural income as income from agriculture can be checked if the tax due on the former can somehow be related to his total income from all sources. In the opinion of this writer the inclusion of agricultural incomes, even if they were to be exempt from taxation, for the purposes of determining the applicable tax rate would act as a tax evasion deterrent. This, however, does not mean that agricultural incomes should be exempt from taxation. And it is this matter that we turn to next.

An excuse normally held out by the Federal Government on its failure to impose tax on agricultural incomes is that as tax on such incomes is a provincial subject under the 1973 Constitution, the Centre cannot intervene. Even if one were not to recall the impunity with which they very Constitution has been amended, if not ripped apart, to suit the needs of one individual, allow me to give you a relevant example of Islamabad's hypocrisy and the dubiousness of the intentions of our rulers. Whereas agriculture is supposedly a provincial subject and the related tax has to be levied by the provincial authorities, it is amusing that wealth tax, which is a Federal Government levy, is payable on agricultural property, income from which is liable to tax only if levied by the provincial authority. Given that agriculture is a provincial subject can anyone, on rational grounds, justify the taxation of agricultural property by the Federal Government and the introduction of land reform legislation by the Centre?

What is, however, more illustrative of the determination of the ruling elite not to share its prosperity with the nation at large and its misrepresentations regarding the limitations of the power that the Centre has under the Constitution, and the extent of bullibility of the media and the moulders of public opinion to accept everything emanating from Islamabad at face value is the claim that to render agricultural incomes liable to a Federal tax requires a prior amendment in the Constitution. This point needs to be elaborated and I attempt to do so below.

Under the Income Tax Ordinance, 1979 the rental income derived from agriculture escapes assessment. This is because while exempting the taxation of agricultural incomes it defines agricultural income as "any rent or revenue derived from land... which is used for agricultural purposes." Can it be logically argued that the rental income derived from leasing out agricultural land to a tenant is in any way, form or nature different from

the rent derived by leasing out land in urban areas? Whereas the latter income is considered taxable (and correctly if I may add), the income from the former activity is, under some convoluted logic, exempt.

[30 Nov 87 pp 7, 8]

There is certainly an anomaly in the tax law under which income earned from leasing out agricultural land is not covered because, logically, income cannot be categorised on the basis of the sector from which it originates; it has been argued above that individuals pay taxes and not sectors.

Incomes have to be identified on the basis of the activities from which they accrue. If this were not so and rental income from agricultural land were deemed to be agricultural income then on the same reasoning should interest earned from loans given for agricultural activities or dividends derived from shares held in a company engaged in agri-business be exempt from taxation? Of course not. The criterion to be used for identifying a certain income as agricultural must surely be dependent upon the activity from which income has been earned.

Although it may be technically correct that taxation of agricultural incomes is a provincial subject, the term "agricultural income" is actually defined in the Income Tax Ordinance. In the opinion of this writer, this definition can be altered without requiring sympathetic changes in the Constitution. Rental income from agriculture can legitimately, and legally, be treated as non-agricultural income by redefining agricultural income in the Income Tax Ordinance as merely "revenue derived from land" without having to amend the Constitution. In this manner at least the rent earned by the big land-owners and absentee landlords will become liable to tax. Given the predominance of rental income in total income from agriculture, this one amendment alone, which requires no concomitant change in the Constitution, will enable the Government to extract its share of the investible surplus being frittered away on luxury consumption.

But then even this amendment will not be made because the exemption is not based on any logic. It is a political decision motivated by the identity of interests between the large landowners and the senior officials in the civil and military services. This interest commonality is not only because both elements of the ruling class own land but also because the latter can explain their affluence (actually attained through bribes and corrupt practices) by reference to the agricultural land that they own. This convenient cover could easily be blown away if income derived from agricultural activities were to fall within the purview of the income tax authorities.

Finally, we move on to discuss a possible instrument for taxing incomes from what could legitimately be regarded as agricultural activities, production and sale of crops and livestock.

The simplest and easiest way, considering the familiarity of the farmers with the method, of increasing direct revenue from agriculture would be to raise the tax rates in the formulae used to assess land revenue. The trouble, however, with the assessment method of land revenue is that it determines the productivity index of land in terms of the food crop grown in the area and not the actual crop grown.

If we are to assess income from agriculture in the same way as income from any other source then the problem referred to above would be taken care of, as would be problems regarding the lack of progressiveness of the current method of assessment, because those earning higher level of income would be liable to a higher rate of tax.

However, there is a considerable degree of practical difficulty in assessing agricultural income. The difficulties arise because of the nature of agricultural related activities/operations and the conceptual problem of identifying and segregating recurrent or revenue related costs from the capital or long-term costs. Agricultural taxation given those difficulties could end in increased harassment of the assessees by the revenue authorities. An alternative method, therefore, has to be derived to serve as a direct instrument.

The method being proposed here is the linking of the tax to the average yield from similar land in an area, taking into consideration the climate, the properties of the soil, the water availability, the methods of cultivation used, etc. in the area, i.e., the objective conditions in which the farms operate, their crop-mix and average yields for each crop, are fairly similar. The country can be divided on the basis of commonality in conditions. A schedule can be prepared of ratable value of land per acre for different crops or crop groups. The output (based on the average yield of the past three years) can be valued at the average of the prices ruling in the past two years. A zero ratable value can be assessed if in any given year the average output is less than 50 percent of the average output of the previous three years.

The tax being proposed is an income tax because it is estimated as a proportion of the estimated income per acre of standard measure. We basically need to determine more 'current' estimates of net income per acre than was done under the old land revenue assessment practice.

Although the income coefficients for a standard acre will be constant, a different tax rate may be applied to different size holdings based on the income derived by the standard formulae.

Some of the administrative problems that will be faced in implementing this proposal are recognised below:

- i. The poor documentation in respect of operated holdings.

- ii. The neat segregation of holdings in accordance with the criteria developed above.
- iii. The preponderance of 'Benami' holdings.
- iv. The difficulties that would be encountered in conducting assessments frequently.

Although the problems are recognised they are by no means insurmountable. Let us discuss them one by one.

The greatest difficulty, and which is critical for the successful imposition of such a tax, is the demarcation of reasonably homogeneous areas for providing the application standards required for determining the yield per acre of each crop in the area. But then, a somewhat similar classification task was accomplished in the past for the determination of the basis for assessing land revenue.

As regards frequent assessments, if the burden is found to be particularly heavy for the administrative machinery, the frequency of assessments can be quinquennial rather than, say every 3 years. This factor is, however, a matter of detail and the final decision can be modified depending upon the circumstances relating to each area or even the crop grown.

Again, take the matter of 'Benami' holdings, incorrect reporting of family holdings or crops grown, and the lack of records on operated holdings. These are problems that are faced in assessing all kinds of direct taxes, income, wealth and capital gains. If the introduction of income and wealth taxes had been made conditional upon the identification of all potential tax payers then we would never have had income or wealth taxes.

For the initial implementation of this tax proposal all that is required is the identification of the top 10 percent family holdings in each area, delineated by reference to size. Can anyone seriously claim that the land revenue authorities would have difficulty in identifying such holdings/families in each area?

The proposal's recommendation that the tax should be levied on operated holdings rather than on land owned is to be preferred because it would not encourage tax avoidance by splitting up ownership of a farm operated as a single unit. To achieve this the family would have to be regarded as the basic unit for determining the size and taxable value of the operated holding.

In conclusion let us recall the two methods of taxing incomes derived from agricultural activities that have been proposed in the article.

- i. By taxing the rental income from rented out land. This would merely require an amendment in the Income Tax Ordinance, 1979, without any concomitant changes in the Constitution.

- ii. By instituting a provincial charge for taxing the net income from the production and sale of agricultural commodities and livestock.

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#### **Commentary Examines Problem of Technology Transfer**

46000037b Karachi DAWN in English 29 Nov 87 p 7

[Text] Prof. Blackett once said, "There is a world supermarket of technology, go and buy in it." This statement was made in the context of science which cannot be bought in the marketplace. Even with respect to technology it is only partly true. The technology that is bought in the world supermarket is only the know-how to operate and maintain a product of technology and not the technology itself. The developing countries have been, and are being, educated in the philosophy embodied in the casual remark of Blackett. The theme is being literally repeated *ad nauseam* by Western-sponsored international organizations and merchants of industrialised nations and their motive is obvious—expansion of the market for their products. Recently UNIDO, in its Annual Report for 1987, touched upon the point when it said: "The real threat to the North-South relationship is thus seen in a widening technology gap. It is a gap that could not be closed overnight by even a massive transfer of resources, technological or financial; a determined policy aimed at long-term technological self-reliance in each developing country, coupled with enhanced programmes of technical cooperation from the international community, would be essential." In this formulation, the first ingredient is basic, essential and achievable; the second one, that is, technical cooperation from international community in the transfer of real technology, is dubious. The Vienna Conference on Science and Technology afforded a clear illustration of the attitude of the industrialised nations. In that conference developing countries had asked for a contribution of one billion dollars for creating institutions for the training of people in specialised sciences and technology. Commitments were made for one-seventh of that amount and even those were never fulfilled.

If the developing countries are seriously interested in combating poverty and in the modernisation of their economies, they will have to acquire the technology of fabricating producer goods as well as learn to operate and maintain machines that produce every-day consumer goods. No country would be easily agreeable to sell the basic technology. In most industrially advanced countries, it is the monopoly of the private sector which acquires it at a cost and for making profits. It remains their secret unless it becomes obsolete, in which case it is sold to the South. International agencies and donor countries have assisted the Third World in creating institutions for, and training manpower in, planning and managerial sciences, the idea being to train economists, business executives, etc, so that they manage the economies in such a way that the recipients can absorb more of

the products made by the donors. It is only rarely that aid donors have helped set up institutions of basic or applied sciences or used their immense leverage with the governments of aid-receiving countries to promote the building of an adequate scientific infrastructure to enable the scientific communities to play their rightful role in development.

Technology can be evolved or acquired but never bought. Its evolution or acquisition presupposes advanced scientific knowledge and a vast outfit which is equipped to apply the results of scientific research. High priority for scientific institutions at different levels must precede any move for transfer of real technology. Pakistan is at present wholly unprepared for a leap forward in the field of science. Our educational system is directionless and our social attitudes are anti-scientific. The university system is weak, static and uninspiring. Young promising research students have poor chances of making the grade. Dedicated master scientists are few and reasonably well-equipped laboratories hardly exist. We take science, in the words of Dr Abdus Salam, as a marginal activity. The expenditure of less than 0.2 percent of our GNP on science and research is a clear indication of the low priority we assign to this sector. It has not yet dawned on us that the science of today is the technology of tomorrow. The route to development through low priority for science may take more than a century (consider our achievements in forty years), while the same process can be telescoped into a span of a quarter century if science is moved to the top in the national scheme of priorities. We can improve upon the present situation only when we take up science and research seriously. And this needs a political commitment to the development of scientific education and research and the modernisation of the educational system.

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**Population Control: Better Planning Urged**  
*46000040b Lahore VIEWPOINT in English*  
*26 Nov 87 p 6*

[Text] The Basic factors responsible for the distressing situation are known and periodically admitted at international seminars and conferences on population planning. The remedies also are no secret and are seen to have been made to work in many countries—and partially in our own. Yet, over long years, effort to check the high rate of population growth in Pakistan has been hesitant and haphazard; it has, therefore, had negligible results. After quite some time the problem was brought to the fore again at the South Asian NGOs Conference on Population Welfare and Development. its conclusions are not yet before us, but the lessons for Pakistan can easily be sifted from the verbiage expended. Dr. Mehboob-ul-Haq, who continues to take interest in this vital problem, welcomed Prime Minister Junejo to the moot and referred pointedly to the fact that Pakistan—with a population of 32 million in 1947—now caters for

over 100 million souls, and that if its population remained unchecked it would rise to 150 million by 2000 A.D. It was pointed out by other experts that population growth on this scale absorbed half of the gross domestic product, and clearly obstructed real economic growth.

Although the current official estimate for population growth is 2.7 percent, many believe that it really is nearer 3 percent. Although even its own computation provides cause for alarm, Government seems unwilling or incapable of grappling with the problem directly. Hence, in ministerial speeches, much stress is laid on the importance of education, and the fact that the fertility rate tends to decline with the spread of learning. Another theme taken up vigorously is that development helps to improve living standards and, thus, reduces population growth. Both these factors are certainly important and they do have the salutary effect attributed to them; but it is utterly naive to wait for the spread of education or a general rise in living standards before we can hope to bring our population growth down even to the level of neighboring countries like India. The Government should not feel shy of taking up this important task, for it just cannot be left to the distant future—as an indirect results of development and the spread of literacy. It must be realized that if population growth is not reduced substantially, the present steady increase in illiteracy will continue and development programmes will remain stunted. Government must decide, therefore, to reorganize the population planning department and ensure that its branches spread to all parts of the country and are made effective through an infrastructure manned by trained and genuinely motivated persons. The department must find working links with existing hospitals and clinics and its personnel should establish a rapport with the people so that they can begin to cope with a problem that affects the country as a whole as well as individual families.

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**Student Unrest: 'Important' Decisions Expected**  
*46000037c Karachi DAWN in English 29 Nov 87 p 10*

[Text] Islamabad, Nov 28: Some important decisions regarding student unrest are expected to be announced soon following the submission of a detailed report which a five-man Vice Chancellors Committee has formulated after having exclusive talks with more than a dozen noted Opposition leaders across the country, reliable source told DAWN here on Saturday.

The long-awaited report, based on the views and suggestions by Opposition leaders, the ruling party educationists, students and parents, is expected to be presented to the Education Ministry by the University Grants Commission within this week.

The Chairman of UGC, Sheikh Imtiaz Ali, when contacted, refused to disclose the contents of the report, saying it was a confidential report about which even he

himself did not know much. He, however, said the report would be submitted to the Ministry on Dec. 2. The report prepared by the Committee, after over six-month efforts, if implemented fully, would help defuse mounting student unrest and disorder, the UGC Chairman hoped.

He said he was the one who never backed the idea of encouraging students politicking in universities. The UGC Chairman said what the students enrolled at universities lacked was quest of knowledge in latest scientific research and technology.

Students' deep involvement in politics was among the other factors that crippled them (students) intellectually and academically, the UGC Chairman said.

Mr G.M. Khattak, Vice Chancellor of Peshawar Agriculture University, who led the five-man V-Cs team told DAWN, he and his colleagues made an attempt to apprise the Government of the causes which led to violence and disorder. V-Cs Committee he said did its job sincerely, and honestly by putting on paper every detail of their discussion with various sections of society. Mr Khattak also declined to comment on the nature of recommendations which the Committee had made about student unions.

The Committee was set up by the Government about a year ago to explore steps against mounting unrest among the students.

The Committee, after numerous detailed meetings with leaders and educationists, reportedly was morally convinced that revival of student unions in educational institutions was the only answer to the disorder and the discontent on campuses.

Those whom the committee called on separately to obtain their views on student unrest included: Ms Benazir Bhutto, Ghulam Mustafa Jatio, M. Syed, Ghous Bakhsh Bizenjo, Asghar Khan, Wali Khan, Nawabzada Nasrullah Khan. Besides, all the four Governors, Chief Ministers and top Federal and provincial bureaucrats were also consulted.

The VCs who were apparently convinced that end to violence in universities could be possible only after reviving unions, however, believed that such revival without evolving first an appropriate code of ethics would be counter productive.

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